

Al Meera Consumer Goods Company Q.S.C.

**INTERIM CONDENSED CONSOLIDATED
FINANCIAL STATEMENTS**

30 JUNE 2016

**REPORT ON REVIEW OF INTERIM CONDENSED CONSOLIDATED FINANCIAL
STATEMENTS TO THE SHAREHOLDERS OF
AL MEERA CONSUMER GOODS COMPANY Q.S.C.**

Introduction

We have reviewed the accompanying interim consolidated statement of financial position of Al Meera Consumer Goods Company Q.S.C. (the "Parent") and its subsidiaries (together referred to as the "Group") as of 30 June 2016 and the related interim consolidated statements of profit or loss, comprehensive income, changes in equity and cash flows for the six-month period then ended, and other related explanatory notes. Management is responsible for the preparation and presentation of these interim condensed consolidated financial statements in accordance with IAS 34 Interim Financial Reporting (IAS 34). Our responsibility is to express a conclusion on these interim condensed consolidated financial statements based on our review.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and, consequently, does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Basis for Qualified Conclusion

The Group has investments classified as Available for Sale investments and carried in the statement of financial position at its market value of QR 154,470,254. The management has not considered the significant or prolonged decline in the value of these investments below cost as required by IAS 39, Financial Instruments: Recognition and Measurement and accordingly has not recognised an impairment loss of QR 23,900,124 in the interim consolidated statement of profit or loss for the current reporting period by reclassifying this amount out of the fair value reserve and reducing the net profit for the six months period ended 30 June 2016. However, as stated in Note 2 to the interim condensed consolidated financial statements, the Group intends to early adopt IFRS 9: Financial Instruments, for the year ending 31 December 2016, and believes that the recognition of impairment losses on Available-for-sale investments amounting to QR 23,900,124 as at 30 June 2016 is not warranted, as the intention of the Group is to designate its Available-for-sale investments as Fair Value through Other Comprehensive Income as required by IFRS 9.

Qualified Conclusion

Based on our review, except for the effects of the matter described in the Basis for Qualified Conclusion paragraph above, nothing has come to our attention that causes us to believe that the accompanying interim condensed consolidated financial statements is not prepared, in all material respects, in accordance with IAS 34.

Other matter

The interim condensed consolidated financial statements of the Group for the period ended 30 June 2015 were reviewed, and the consolidated financial statements as at and for the year ended 31 December 2015 were audited by another auditor whose review and audit reports dated 9 August 2015 and 21 February 2016 respectively, expressed an unmodified conclusion and an unmodified audit opinion there on.


Ziad Nader
Of Ernst & Young
Auditor's Registration No. 258

Date: 8 August 2016
Doha



Al Meera Consumer Goods Company Q.S.C.

INTERIM CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the six months ended 30 June 2016

	<i>Notes</i>	<i>Six months ended 30 June</i>	
		<i>2016</i>	<i>2015</i>
		<i>(Unaudited)</i>	
		<i>QR</i>	<i>QR</i>
Continuing operations			
Sales		1,350,156,170	1,220,414,362
Cost of sales		(1,134,707,439)	(1,020,967,846)
GROSS PROFIT		215,448,731	199,446,516
Shops rental income		34,923,171	23,260,471
Other income		13,455,766	15,791,717
General and administrative expenses		(135,566,235)	(120,436,380)
Finance costs		(1,422,073)	(1,421,374)
Depreciation and amortisation expenses	4 & 6	(23,542,887)	(15,342,721)
Share in net loss of associate		(743,390)	-
Profit for the period from continuing operations		102,553,083	101,298,229
Loss from discontinued operations	20	-	(319,208)
PROFIT FOR THE PERIOD		102,553,083	100,979,021
Attributable to:			
Equity holders of the parent		102,350,485	100,876,782
Non-controlling interests		202,598	102,239
		102,553,083	100,979,021
Basic and diluted earnings per share attributable to equity holders of the parent	3	5.12	5.04

The attached notes 1 to 20 form part of these interim condensed consolidated financial statements.

Al Meera Consumer Goods Company Q.S.C.

INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 June 2016

	<i>Six months ended 30 June</i>	
	<i>2016</i>	<i>2015</i>
	<i>(Unaudited)</i>	
	<i>QR</i>	<i>QR</i>
PROFIT FOR THE PERIOD	102,553,083	100,979,021
<i>Other comprehensive income to be reclassified to profit or loss in subsequent periods</i>		
<i>Available-for-sale investments:</i>		
Net loss on disposal of available-for-sale investments reclassified to the consolidated statement of profit or loss	873,666	2,332,919
Net loss arising during the period on revaluation	(12,156,949)	(9,285,133)
Net movement in the fair value of available-for-sale investments	(11,283,283)	(6,952,214)
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	91,269,800	94,026,807
Attributable to:		
Equity holders of the parent	91,067,202	93,924,568
Non-controlling interests	202,598	102,239
	91,269,800	94,026,807

Al Meera Consumer Goods Company Q.S.C.

INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 June 2016

	Notes	30 June 2016 (Unaudited) QR	31 December 2015 (Audited) QR
ASSETS			
Non-current assets			
Property and equipment	4	791,730,364	691,190,809
Goodwill	5	344,097,998	344,097,998
Other intangible assets	6	8,057,034	8,730,961
Available-for-sale investments	7	154,470,254	210,262,821
Investment in associates		98,497	98,497
Deferred tax asset		298,937	298,937
		<u>1,298,753,084</u>	<u>1,254,680,023</u>
Current assets			
Inventories	8	192,694,660	183,419,260
Accounts receivable and prepayments	9	57,882,473	51,084,395
Amounts due from related parties	16	7,226,857	5,660,379
Bank balances and cash	10	469,132,014	471,522,458
		<u>726,936,004</u>	<u>711,686,492</u>
TOTAL ASSETS		<u>2,025,689,088</u>	<u>1,966,366,515</u>
EQUITY AND LIABILITIES			
Equity			
Share capital	11	200,000,000	200,000,000
Legal reserve	12	901,289,603	901,289,603
Optional reserve		21,750,835	21,750,835
Fair value reserve		(23,226,727)	(11,943,444)
Retained earnings		193,959,209	273,927,930
		<u>1,293,772,920</u>	<u>1,385,024,924</u>
Equity attributable to equity holders of the parent		<u>1,293,772,920</u>	<u>1,385,024,924</u>
Non-controlling interests		40,371,687	40,169,089
		<u>40,371,687</u>	<u>40,169,089</u>
Total equity		<u>1,334,144,607</u>	<u>1,425,194,013</u>
Non-current liabilities			
Interest bearing loans and borrowings		80,909,144	84,963,255
Employees' end of service benefits		27,314,065	25,799,696
		<u>108,223,209</u>	<u>110,762,951</u>
Current liabilities			
Interest bearing loans and borrowings		7,742,686	3,564,833
Accounts payable and accruals	15	575,578,586	426,844,718
		<u>583,321,272</u>	<u>430,409,551</u>
Total liabilities		<u>691,544,481</u>	<u>541,172,502</u>
TOTAL EQUITY AND LIABILITIES		<u>2,025,689,088</u>	<u>1,966,366,515</u>

Dr. Saif Saeed Al Sowaidi
Vice Chairman

Guy Sauvage
Chief Executive Officer

The attached notes 1 to 20 form part of these interim condensed consolidated financial statements.

Al Meera Consumer Goods Company Q.S.C.

INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2016

	<i>Equity attributable to equity holders of the parent</i>						<i>Non-controlling interest QR</i>	<i>Total equity QR</i>
	<i>Share capital QR</i>	<i>Legal reserve QR</i>	<i>Optional reserve QR</i>	<i>Fair value reserve QR</i>	<i>Retained earnings QR</i>	<i>Total QR</i>		
Balance at 1 January 2016 (Audited)	200,000,000	901,289,603	21,750,835	(11,943,444)	273,927,930	1,385,024,924	40,169,089	1,425,194,013
Profit for the period	-	-	-	-	102,350,485	102,350,485	202,598	102,553,083
Other comprehensive loss for the period	-	-	-	(11,283,283)	-	(11,283,283)	-	(11,283,283)
Total comprehensive income for the period	-	-	-	(11,283,283)	102,350,485	91,067,202	202,598	91,269,800
Appropriation for contribution to social fund (Note 14)	-	-	-	-	(2,319,206)	(2,319,206)	-	(2,319,206)
Dividends paid (Note 13)	-	-	-	-	(180,000,000)	(180,000,000)	-	(180,000,000)
Balance at 30 June 2016 (Unaudited)	200,000,000	901,289,603	21,750,835	(23,226,727)	193,959,209	1,293,772,920	40,371,687	1,334,144,607
	<i>Equity attributable to equity holders of the parent</i>						<i>Non-controlling interest QR</i>	<i>Total equity QR</i>
	<i>Share capital QR</i>	<i>Legal reserve QR</i>	<i>Optional reserve QR</i>	<i>Fair value reserve QR</i>	<i>Retained earnings QR</i>	<i>Total QR</i>		
Balance at 1 January 2015 (Audited)	200,000,000	901,289,603	21,750,835	(13,918,815)	295,654,041	1,404,775,664	39,920,960	1,444,696,624
Profit for the period	-	-	-	-	100,876,782	100,876,782	102,239	100,979,021
Other comprehensive loss for the period	-	-	-	(6,952,214)	-	(6,952,214)	-	(6,952,214)
Total comprehensive income for the period	-	-	-	(6,952,214)	100,876,782	93,924,568	102,239	94,026,807
Appropriation for contribution to social fund (Note 14)	-	-	-	-	(2,304,900)	(2,304,900)	-	(2,304,900)
Dividends paid (Note 13)	-	-	-	-	(180,000,000)	(180,000,000)	-	(180,000,000)
Balance at 30 June 2015 (Unaudited)	200,000,000	901,289,603	21,750,835	(20,871,029)	214,225,923	1,316,395,332	40,023,199	1,356,418,531

The attached notes 1 to 20 form part of these interim condensed consolidated financial statements.

Al Meera Consumer Goods Company Q.S.C.

INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 June 2016

	<i>Notes</i>	<i>Six months ended 30 June</i>	
		<i>2016</i>	<i>2015</i>
		<i>(Unaudited)</i>	
		<i>QR</i>	<i>QR</i>
OPERATING ACTIVITIES			
Profit for the period		102,553,083	100,979,021
Adjustments for:			
Depreciation and amortisation	4&6	23,542,887	15,440,401
Provision for employees' end of service benefits		2,296,784	2,278,473
Provision for impairment of unquoted available-for sale shares		25,000	79,696
Provision for slow moving inventories	8	35,602	115,860
Allowance for impairment of receivables (net)	9	102,993	228,823
Finance cost		1,422,073	1,421,374
Dividend income from available for sale investments		(9,784,857)	(9,198,871)
Net income from sale of available-for-sale investments		(23,629)	(1,665,401)
Loss on disposal of property and equipment		31,817	-
Interest income		(2,979,756)	(3,123,548)
Operating profit before changes in working capital		117,221,997	106,555,828
Changes in working capital:			
Accounts receivable and prepayments		(8,364,713)	(12,975,124)
Inventories		(9,311,002)	(5,780,685)
Accounts payable and accruals		150,235,095	22,598,995
		249,781,377	110,399,014
Contribution to social fund		(3,820,434)	(5,465,891)
Employees' end of service benefits paid		(885,251)	(670,247)
Net cash generated from operating activities		245,075,692	104,262,876
INVESTING ACTIVITIES			
Purchase of available for sale investments		(30,128,794)	(138,063,094)
Purchase of property and equipment	4	(123,349,174)	(74,039,872)
Additions in other intangible assets	6	(91,158)	(6,000)
Proceeds from sale of property and equipment		-	3,993
Change in investment in time deposits		(25,066,000)	229,905,364
Dividend income received on available for sale investments		9,784,857	9,198,871
Interest income		2,979,756	6,172,017
Proceeds from sale of available for sale investments		74,636,708	134,290,625
Net cash (used in) generated from investing activities		(91,233,805)	167,461,904
FINANCING ACTIVITIES			
Dividends paid		(180,000,000)	(161,634,699)
Finance cost paid		(1,422,073)	(1,298,311)
Movement in interest bearing loans and borrowings		123,742	-
Net cash used in financing activities		(181,298,331)	(162,933,010)
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS		(27,456,444)	108,791,770
Cash and cash equivalents at 1 January		338,522,458	195,656,031
CASH AND CASH EQUIVALENTS AT 30 JUNE	10	311,066,014	304,447,801

The attached notes 1 to 20 form part of these interim condensed consolidated financial statements.

Al Meera Consumer Goods Company Q.S.C.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

At 30 June 2016

1 INCORPORATION AND ACTIVITIES

On 13 July 2004, the Law No. (24) for 2004 was issued in order to transfer the former Consumers Cooperative Societies to Qatari Shareholding Company with a capital of QR 100,000,000, thus, incorporating a new company Al Meera Consumer Goods Company Q.S.C. (the "Company") which is governed by the Qatar Commercial Companies Law No. 11 of 2015. The Company was registered under commercial registration number 29969 on 2 March 2005. The Company's registered office address is at P.O. Box 3371 Doha, State of Qatar.

The Company and its subsidiaries (together the "Group") are mainly involved in wholesale and retail trading of various types of consumer goods commodities, owning and managing consumer outlets and trading in food stuff and consumer goods.

The Company is listed on the Qatar Exchange. The Government of the State of Qatar owns 26% of the Company's shares.

The Group's subsidiaries and associates are as follows:

Name of entities	Country of incorporation	Relationship	Ultimate ownership interest	
			2016	2015
Al Meera Holding Company L.L.C.	Qatar	Subsidiary	100%	100%
Al Meera Supermarkets Company S.P.C.	Qatar	Subsidiary	100%	100%
Al Meera Development Company L.L.C.	Qatar	Subsidiary	100%	100%
Qatar Markets Company W.L.L.	Qatar	Subsidiary	100%	100%
Alge Retail Corporation S.A.R.L.	Switzerland	Subsidiary	51%	51%
Al Meera Oman S.A.O.C	Oman	Subsidiary	70%	70%
Al Meera Markets S.A.O.C	Oman	Subsidiary	70%	70%
Al Meera Bookstore S.P.C.	Qatar	Subsidiary	100%	100%
Al Oumara Bakeries Company W.L.L.	Qatar	Associate/ subsidiary	51%	100%
Aramex Logistics Services L.L.C.	Qatar	Associate	51%	51%

Al Meera Holding Company L.L.C. ("Al Meera Holding") is a limited liability company, incorporated in the State of Qatar. The Company is a holding company for holding the Group's investments and managing its subsidiaries, owning patents, trademarks and real estate needed to carry out its activities.

Al Meera Supermarkets Company S.P.C. ("Al Meera Supermarkets") is a single person company incorporated in the State of Qatar. The Company is engaged in the establishment and management of business enterprise and investing therein, owning shares, moveable and immovable properties necessary to carry out its activities.

Al Meera Development Company L.L.C. ("Al Meera Development") is a limited liability company, incorporated in the State of Qatar. The Company is engaged in establishment and management of business enterprise and investing therein, owning patents, trade-works and real estate needed to carry out its activities.

Qatar Markets Company W.L.L. ("Qatar Markets") is a limited liability company, incorporated in the State of Qatar. The Company is engaged in the sale of food stuff, household items and garments.

Alge Retail Corporation S.A.R.L ("Alge Corporation") is a limited liability company, incorporated in Switzerland. The Company is engaged in development of retail business in Tunisia, Libya, Egypt and Jordan. As of the reporting date, this company has not commenced its commercial operations.

Al Meera Oman S.A.O.C ("Al Meera Oman") is a limited liability company, incorporated in Sultanate of Oman. The Company is engaged in the construction and management of shopping centers and related facilities. As of the reporting date, company has not commenced its commercial operations.

1 INCORPORATION AND ACTIVITIES (CONTINUED)

Al Meera Markets S.A.O.C. (“Al Meera Market”) is a limited liability company, incorporated in Sultanate of Oman. The Company is engaged in the establishment and operation of shopping centers, supermarkets and hypermarkets.

Al Meera Bookstore S.P.C. (“Al Meera Bookstore”) is a single person company incorporated in the State of Qatar. The Company is engaged in the sale of stationery, computer accessories, books and toys.

Al Oumara Bakeries Company W.L.L. (“Al Oumara Bakeries”) is a limited liability company, incorporated in the State of Qatar. The Company is engaged in manufacture and sale of bakery products. During the year 2015, the Group has disposed its 49% interest of this associate to Qatar Quality Food Company L.L.C. and as a result the control of Al Oumara Bakeries has been transferred to the acquirer. Therefore, the retained ownership interest is recognised as investment in associate and accounted for using equity method.

Aramex Logistics Services L.L.C. is a limited liability company, incorporated in the State of Qatar. The Company is engaged in the warehousing and delivery truck services. As of the reporting date, this company has not commenced its commercial operations.

These interim condensed consolidated financial statements of the Group for the six months ended 30 June 2016 were authorised by the Vice Chairman and Chief Executive Officer for issue on 8 August 2016.

2 BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation

The interim condensed consolidated financial statements for the six months ended 30 June 2016 have been prepared in accordance with International Financial Reporting Standard, IAS 34 “Interim Financial Reporting” (“IAS 34”).

The financial statements have been presented in Qatar Riyals (“QR”), which is the functional and presentation currency of the Group.

The interim condensed financial statements do not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the Group’s annual financial statements as at 31 December 2015. In addition, the results for the six months ended 30 June 2016 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2016.

2.2 New and amended standards and interpretations adopted by the Group

The accounting policies adopted in the preparation of the interim condensed financial statements are consistent with those followed in the preparation of the Group’s annual financial statements for the year ended 31 December 2015, except for the adoption of new standards and interpretations effective as of 1 January 2016.

The following amended accounting standards became effective in 2016 and have been adopted by the Group in preparation of these interim condensed financial statements as applicable. Whilst they did not have any material impact on these interim condensed financial statements, they may require additional disclosures in the annual financial statements for the year ending 31 December 2016:

Title

IFRS 14 Regulatory Deferral Accounts

Amendments to IFRS 11 Joint Arrangements: Accounting for Acquisition of Interests

Amendments to IAS 16 and IAS 38: Clarification of Acceptable Methods of Depreciation and Amortisation

Amendments to IAS 16 and IAS 41 Agriculture: Bearer Plants

Amendments to IAS 1: Disclosure Initiative

Amendments to IFRS 10, IFRS 12 and IAS 28 investment Entities: Applying the Consolidation Exception

Annual Improvements 2012 - 2014 Cycle

2 BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.3 Standards issued but not yet effective

The standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Group's interim condensed financial statements are disclosed below. The Group intends to adopt these standards, if applicable, when they become effective.

<i>Title</i>	<i>Effective dates</i>
Disclosure initiative (Amendment to IAS 7)	1 January 2017
Recognition of Deferred Tax Assets for Unrealised Losses (Amendments to IAS 12)	1 January 2017
IFRS 9 Financial Instruments	1 January 2018
IFRS 15 Revenue from Contracts with Customers	1 January 2018
IFRS 16 Leases	1 January 2019

The Group is assessing the impact of implementation of these standards.

The Group intends to early adopt IFRS 9: Financial Instruments, for the year ending 31 December 2016, and accordingly is in the process of assessing the possible impact on the balances of financial instruments in its books of accounts. Due to the planned early adoption of IFRS 9, the Group believes that the recognition of impairment losses on Available-for-sale investments amounting to QR 23,900,124 as at 30 June 2016 is not warranted, as the intention of the Group is to designate its Available-for-sale investments as Fair Value through Other Comprehensive Income.

3 BASIC AND DILUTED EARNINGS PER SHARE

Basic earnings per share are calculated by dividing the profit attributable to the equity holders for the period by the number of shares outstanding during the period as follows:

	<i>Six months ended 30 June</i>	
	<i>2016</i>	<i>2015</i>
	<i>(Unaudited)</i>	
Net profit for the period attributable to equity holders of the parent (QR)	102,350,485	100,876,782
Number of shares outstanding during the period	20,000,000	20,000,000
Basic and diluted earnings per share (QR)	5.12	5.04

Al Meera Consumer Goods Company Q.S.C.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

At 30 June 2016

4 PROPERTY AND EQUIPMENT

	<i>30 June 2016 (Unaudited) QR</i>	<i>31 December 2015 (Audited) QR</i>
Cost:		
Balance at the beginning of the period/ year	866,824,787	735,834,516
Additions	123,349,174	138,348,380
Disposals	(42,923)	(1,562,315)
De-recognition due to disposal of a subsidiary (Note 20)	-	(5,795,794)
	990,131,038	866,824,787
Accumulated depreciation:		
Balance at the beginning of the period/ year	175,633,978	147,814,501
Charge for the period/ year	22,777,802	34,233,046
Relating to disposals	(11,106)	(1,459,820)
Relating to de-recognition due to disposal of a subsidiary (Note 20)	-	(4,953,749)
	198,400,674	175,633,978
Net carrying amount at the end of the period/year	791,730,364	691,190,809

The depreciation charge has been allocated in the interim consolidated statement of profit or loss as follows:

	<i>Six months ended 30 June 2016 (Unaudited) QR</i>	<i>2015 (Audited) QR</i>
Cost of sales	-	72,972
As a separate line in consolidated statement of profit or loss	22,777,802	14,610,975
	22,777,802	14,683,947

5 GOODWILL

	<i>30 June 2016 (Unaudited) QR</i>	<i>31 December 2015 (Audited) QR</i>
Qatar Markets Company W.L.L.	227,028,986	227,028,986
Al Meera Market (Al Safeer Oman) – five super markets	117,069,012	117,069,012
	344,097,998	344,097,998

The management performs goodwill impairment assessment annually and when there are indications that the carrying value may be impaired. Management believes that any reasonably possible change in the key assumptions used for impairment assessment performed on 31 December 2015 will not cause the carrying value of the goodwill to materially exceed its recoverable amount. Accordingly no impairment loss was recognised in the six months period ended on 30 June 2016 (30 June 2015: Nil).

6 OTHER INTANGIBLE ASSETS

	<i>30 June 2016 (Unaudited) QR</i>	<i>31 December 2015 (Audited) QR</i>
Cost:		
Balance at the beginning of the period/ year	17,720,027	17,714,027
Additions	91,158	6,000
	17,811,185	17,720,027
Accumulated amortisation:		
Balance at the beginning of the period/ year	8,989,066	7,473,245
Charge for the period/ year	765,085	1,515,821
	9,754,151	8,989,066
Net carrying amount at the end of the period/ year	8,057,034	8,730,961

7 AVAILABLE-FOR-SALE INVESTMENTS

	<i>30 June 2016 (Unaudited) QR</i>	<i>31 December 2015 (Audited) QR</i>
Quoted equity investments	140,795,136	196,562,702
Unquoted equity investments	13,675,118	13,700,119
	154,470,254	210,262,821

8 INVENTORIES

	<i>30 June 2016 (Unaudited) QR</i>	<i>31 December 2015 (Audited) QR</i>
Finished goods	194,080,108	184,684,471
Consumables and spare parts	1,068,189	1,152,824
	195,148,297	185,837,295
Less: Provision for slow moving inventories	(2,453,637)	(2,418,035)
	192,694,660	183,419,260

9 ACCOUNTS RECEIVABLE AND PREPAYMENTS

	<i>30 June 2016 (Unaudited) QR</i>	<i>31 December 2015 (Audited) QR</i>
Trade accounts receivable	14,210,903	13,832,546
Credit cards receivable	7,287,113	6,911,352
Advances to suppliers	15,249,707	12,017,420
Prepayments	8,606,422	5,847,107
Deposits	8,001,795	7,511,302
Staff receivables	3,879,343	3,817,246
Accrued interest income	1,036,372	1,353,033
Rent receivables	1,399,531	1,789,356
Other receivables	634,326	325,079
	60,305,512	53,404,441
Less: Allowance for impairment of receivables	(2,423,039)	(2,320,046)
	57,882,473	51,084,395

10 CASH AND CASH EQUIVALENTS

For the purpose of the interim consolidated statement of cash flows, cash and cash equivalents comprise the following:

	<i>30 June 2016 (Unaudited) QR</i>	<i>31 December 2015 (Audited) QR</i>
Cash on hand	2,635,444	2,025,116
Cash at banks	308,430,570	271,131,342
Fixed deposits	158,066,000	198,366,000
Bank balances and Cash	469,132,014	471,522,458
Less: Time deposits maturing over 90 days	(158,066,000)	(133,000,000)
Cash and cash equivalents	311,066,014	338,522,458

11 SHARE CAPITAL

At 30 June 2016, the authorised share capital comprised 20 million ordinary shares (2015: 20 million). These instruments have a par value of QR 10. All issued shares are fully paid up.

12 LEGAL RESERVE

The Qatari Commercial Companies Law No. 11 of 2015 requires that 10% of the net profit for each year should be appropriated to a statutory reserve until the balance in the reserve becomes equal to 50% of the paid up capital. The balance in the statutory reserve is not available for distribution except in the circumstances specified in the above law.

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13 DIVIDENDS

During the current period, following the approval at the Annual General Assembly held on 28 March 2016, the Company paid a cash dividend of QR 9 per share totalling QR 180 million (2015: QR 9 per share, totalling QR 180 million) relating to the year 2015.

14 CONTRIBUTION TO SOCIAL FUND

In accordance with Law No.13 of 2008, the Group has made an appropriation of profit of QR 2.3 million during the six months period ended 30 June 2016 (2015: QR 2.3 million) equivalent to 2.5% of the adjusted net profit of the Group for the period for the support of sports, cultural, social and charitable activities.

15 ACCOUNTS PAYABLE AND ACCRUALS

	<i>30 June 2016 (Unaudited) QR</i>	<i>31 December 2015 (Audited) QR</i>
Trade accounts payable	411,802,748	290,451,283
Dividends payables	95,128,308	70,573,020
Payable to contractors	22,578,219	18,496,861
Deferred rent income	1,012,306	1,736,389
Staff bonus	4,693,928	10,131,935
Provision for social and sports activities contribution	2,319,206	3,820,434
Provision for air tickets and leave pay	5,083,936	4,041,086
Provision for board remuneration	3,750,000	5,740,000
Provision on deficit in an associate	3,144,869	2,401,478
Accrued expenses	15,624,118	12,680,143
Other payables	10,440,948	6,772,089
	<u>575,578,586</u>	<u>426,844,718</u>

16 RELATED PARTY DISCLOSURES

a) Transactions with government

The Government of Qatar holds 26% of the Company's capital. In the normal course of business, the Group supplies its commodities to various Government and semi-Government agencies in the State of Qatar. The Group also avails of various services from these parties in the State of Qatar.

b) Related party balances

Balances with related parties included in the interim consolidated statement of financial position are as follows:

	<i>30 June 2016</i>		<i>31 December 2015</i>	
	<i>Receivables</i>	<i>Payables</i>	<i>Receivables</i>	<i>Payables</i>
	<i>(Unaudited)</i>		<i>(Audited)</i>	
	<i>QR</i>	<i>QR</i>	<i>QR</i>	<i>QR</i>
Associates	7,226,857	-	5,660,379	-

16 RELATED PARTY DISCLOSURES (CONTINUED)**c) Compensation of key management personnel**

The remuneration of directors and other members of key management during the period is as follows:

	<i>Six months ended 30 June</i>	
	<i>2016</i>	<i>2015</i>
	<i>(Unaudited)</i>	
	<i>QR</i>	<i>QR</i>
Key management remuneration	2,006,764	1,745,853
Board of Directors' remuneration	93,750	40,715
	<u>2,100,514</u>	<u>1,786,568</u>

17 SEGMENT REPORTING

For management purposes, the Group is organised into business units based on their products and services and has three reportable operating segments as follows:

- The retail segment, which comprises the buying and selling of consumer goods.
- The investment segment, which comprises equity and funds held as available for sale investments and fixed deposits.
- The leasing segment, which comprises letting of vacant premises and spaces in malls.

Management monitors the operating results for its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profit or loss and is measured the same as the operating profit or loss in the interim condensed consolidated financial statements.

	<i>Retail QR</i>	<i>Investment QR</i>	<i>Leasing QR</i>	<i>Total QR</i>
<i>Period ended 30 June 2016 (Unaudited):</i>				
Sales	1,350,156,170	-	-	1,350,156,170
Cost of sales	<u>(1,134,707,439)</u>	<u>-</u>	<u>-</u>	<u>(1,134,707,439)</u>
Gross profit	215,448,731	-	-	215,448,731
Shops rental income	-	-	34,923,171	34,923,171
Income from equity investment	-	9,808,486	-	9,808,486
Income from fixed deposits	4,267	2,975,489	-	2,979,756
Other income	<u>667,524</u>	<u>-</u>	<u>-</u>	<u>667,524</u>
Operating income	216,120,522	12,783,975	34,923,171	263,827,668
General and administrative expenses	(132,641,962)	(1,132,885)	(1,791,388)	(135,566,235)
Finance costs	-	(1,422,073)	-	(1,422,073)
Depreciation and amortisation	(20,982,069)	(526,668)	(2,034,150)	(23,542,887)
Share in loss of associate	<u>-</u>	<u>(743,390)</u>	<u>-</u>	<u>(743,390)</u>
Profit for the period	<u>62,496,491</u>	<u>8,958,959</u>	<u>31,097,633</u>	<u>102,553,083</u>

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17 SEGMENT REPORTING (CONTINUED)

	<i>Retail QR</i>	<i>Investment QR</i>	<i>Leasing QR</i>	<i>Total QR</i>
<i>Period ended 30 June, 2015 (Unaudited):</i>				
Sales	1,220,414,362	-	-	1,220,414,362
Cost of sales	<u>(1,020,967,846)</u>	<u>-</u>	<u>-</u>	<u>(1,020,967,846)</u>
Gross profit	199,446,516	-	-	199,446,516
Shops rental income	-	-	23,260,471	23,260,471
Income from equity investment	-	10,864,272	-	10,864,272
Interest income	-	3,123,548	-	3,123,548
Other operating income	<u>1,803,897</u>	<u>-</u>	<u>-</u>	<u>1,803,897</u>
Operating income	201,250,413	13,987,820	23,260,471	238,498,704
General and administrative expenses	(118,920,673)	(38,975)	(1,476,732)	(120,436,380)
Depreciation and amortisation	(14,235,370)	-	(1,107,351)	(15,342,721)
Finance costs	<u>(1,421,374)</u>	<u>-</u>	<u>-</u>	<u>(1,421,374)</u>
Profit for the period from continuing operations	66,672,996	13,948,845	20,676,388	101,298,229
Loss from discontinued operation	<u>(319,208)</u>	<u>-</u>	<u>-</u>	<u>(319,208)</u>
Profit for the period	<u>66,353,788</u>	<u>13,948,845</u>	<u>20,676,388</u>	<u>100,979,021</u>

The following table presents segmental assets regarding the Group's business segments for the period ended 30 June 2016 and for the year ended 31 December 2015 respectively.

	<i>Retail QR</i>	<i>Investment QR</i>	<i>Leasing QR</i>	<i>Total QR</i>
Segment assets				
At 30 June 2016 (Unaudited)	<u>1,553,115,706</u>	<u>372,223,323</u>	<u>100,350,059</u>	<u>2,025,689,088</u>
At 31 December 2015 (Audited)	<u>1,565,832,359</u>	<u>343,361,317</u>	<u>57,172,839</u>	<u>1,966,366,515</u>

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17 SEGMENT REPORTING (CONTINUED)

Geographically, the Group operates in the State of Qatar and the Sultanate of Oman. The following is a summary of key balances related to each geography.

	<i>Qatar</i>		<i>Oman</i>		<i>Total</i>	
	<i>30 June</i>	<i>31 December</i>	<i>30 June</i>	<i>31 December</i>	<i>30 June</i>	<i>31 December</i>
	<i>2016</i>	<i>2015</i>	<i>2016</i>	<i>2015</i>	<i>2016</i>	<i>2015</i>
	<i>(Unaudited)</i>	<i>(Audited)</i>	<i>(Unaudited)</i>	<i>(Audited)</i>	<i>(Unaudited)</i>	<i>(Audited)</i>
	<i>QR</i>	<i>QR</i>	<i>QR</i>	<i>QR</i>	<i>QR</i>	<i>QR</i>
Total assets	1,832,597,875	1,780,535,474	193,091,213	185,831,041	2,025,689,088	1,966,366,515
Total liabilities	633,006,198	520,919,780	58,538,283	20,252,722	691,544,481	541,172,502

	<i>Qatar</i>		<i>Oman</i>		<i>Total</i>	
	<i>Six months ended 30 June</i>	<i>Six months ended 30 June</i>	<i>Six months ended 30 June</i>	<i>Six months ended 30 June</i>	<i>Six months ended 30 June</i>	<i>Six months ended 30 June</i>
	<i>2016</i>	<i>2015</i>	<i>2016</i>	<i>2015</i>	<i>2016</i>	<i>2015</i>
	<i>(Unaudited)</i>	<i>(Unaudited)</i>	<i>(Unaudited)</i>	<i>(Unaudited)</i>	<i>(Unaudited)</i>	<i>(Unaudited)</i>
	<i>QR</i>	<i>QR</i>	<i>QR</i>	<i>QR</i>	<i>QR</i>	<i>QR</i>
Total revenue	1,283,163,832	1,143,435,152	66,992,338	76,979,210	1,350,156,170	1,220,414,362
Net income	101,869,687	100,628,360	683,396	350,661	102,553,083	100,979,021

18 COMMITMENTS AND CONTINGENCIES

Capital commitments:

The Group's capital commitments contracted but not provided for in the interim condensed consolidated financial statement as at 30 June 2016 amounted to QR 269.4 million (2015: QR 78.6 million).

Commitment under operating lease:

	30 June 2016 (Unaudited) QR	31 December 2015 (Audited) QR
Within one year	31,476,350	32,122,548
After one year but not more than five years	102,701,541	104,586,596
More than five years	113,686,335	55,786,608
Total operating lease expenditure contracted for at the reporting date	247,864,226	192,495,752

Contingent liabilities

At 30 June 2016 and 31 December 2015, the Group had letters of guarantees and letters of credit from which it anticipates that no material liabilities will arise amounted to:

	30 June 2016 (Unaudited) QR	31 December 2015 (Audited) QR
Letters of guarantees	1,475,744	232,250
Letters of credits	7,757,984	4,780,502
	9,233,728	5,012,752

19 FINANCIAL ASSETS AND FINANCIAL LIABILITIES

Financial instruments comprise financial assets and financial liabilities.

Financial assets consists of bank balances and cash, available-for-sale investments, amounts due from related parties and trade and other receivables. Financial liabilities consists of interest bearing loans and borrowings, accounts and other payables.

Available-for-sale investments

The Group assesses at each reporting date whether there is objective evidence that an investment or a group of investments is impaired. In the case of equity investments classified as available-for-sale, objective evidence would include a significant or prolonged decline in the fair value of the investment below its cost. The determination of what is 'significant' or 'prolonged' requires judgement. 'Significant' is evaluated against the original cost of the investment and 'prolonged' against the period in which the fair value has been below its original cost. See below for fair value disclosures.

Fair values

The fair value of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

19 FINANCIAL ASSETS AND FINANCIAL LIABILITIES (CONTINUED)**Valuation methods and assumptions**

The following methods and assumptions were used to estimate the fair values:

- Cash and cash equivalents, trade accounts receivable, trade accounts payable, and other current assets and liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.
- Fair value of available-for-sale investments is derived from quoted market prices in active markets.
- Fair value of unquoted available-for-sale financial assets is estimated using appropriate valuation techniques.

The Group does not hold credit enhancement or collateral to mitigate credit risk. The carrying amount of financial assets therefore represents the potential credit risk. The fair values of the financial assets and liabilities, with the exception of certain unquoted available-for-sale investments carried at cost, are not materially different from their carrying values.

Fair value hierarchy

The Group uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

Level 1: Quoted (unadjusted) prices in active markets for identical assets or liabilities

Level 2: Other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly

Level 3: Techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data.

As at reporting date, the Group held the following financial instruments measured at fair value:

	30 June 2016 (Unaudited) QR	Level 1 QR	Level 2 QR	Level 3 QR
Available-for-sale investments:				
Quoted shares	<u>140,795,136</u>	<u>140,795,136</u>	<u>-</u>	<u>-</u>
	31 December 2015 (Audited) QR	Level 1 QR	Level 2 QR	Level 3 QR
Available-for-sale investments:				
Quoted shares	<u>196,562,702</u>	<u>196,562,702</u>	<u>-</u>	<u>-</u>

Available-for-sale investments amounting to QR 13,675,118 (2015: QR 13,700,119) are carried at cost since the fair value cannot be reliably determined by the management.

During the period ended 30 June 2016, there were no transfers between Level 1 and Level 2 fair value measurements, and no transfers into and out of Level 3 fair value measurements.

The tables above illustrate the classification of the Group's financial instruments based on the fair value hierarchy as required for complete sets of financial statements. This classification provides a reasonable basis to illustrate the nature and extent of risks associated with those financial instruments.

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20 DISCONTINUED OPERATIONS

During the year 2015, the Group disposed of 49% of interest in Al Oumara Bakeries Company W.L.L., a subsidiary, to Qatar Quality Food Company L.L.C., reducing its continuing interest to 51%. The proceeds on disposal amounting to QR 3 million were received in cash. The disposal was completed on 29 July 2015, on which the control of Al Oumara was transferred to the acquirer. The retained ownership interest in Al Oumara is recognised as investment in an associate and accounted for using equity method.

The results of Al Oumara Bakeries Company W.L.L. for the six months period ended 30 June 2015 are presented below:

	<i>QR</i>
Sales	3,084,844
Cost of sales	<u>(2,538,302)</u>
GROSS PROFIT	546,542
General and administrative expenses	(841,042)
Depreciation and amortisation expenses	<u>(24,708)</u>
LOSS FOR THE PERIOD	<u>(319,208)</u>

The net cash flows incurred by Al Oumara Bakeries Company W.L.L. for the six months period ended 30 June 2015 are as follows:

	<i>QR</i>
Operating activities	(6,413)
Investing activities	<u>(60,305)</u>
Net cash outflow	<u><u>(66,718)</u></u>

Analysis of net assets derecognised

The Group derecognised the assets, liabilities and equity as at the date of the loss of control as follows:

	<i>QR</i>
ASSETS	
Property and equipment	842,045
Inventories	421,573
Accounts receivable and prepayments	92,695
Amounts due from a related party	729,595
Bank balances and cash	<u>121,647</u>
	<u>2,207,555</u>
LIABILITIES	
Employees' end of service benefits	(160,322)
Accounts payable and accruals	(206,512)
Amounts due to a related party	<u>(5,190,870)</u>
	<u>(5,557,704)</u>
Net assets directly associated with the disposal group	<u><u>(3,350,149)</u></u>

20 DISCONTINUED OPERATIONS (CONTINUED)

The realised gain on disposal of a subsidiary is as follows:

	<i>QR</i>
Proceeds received	3,000,000
Less: Carrying amount of the 49% interest disposed (deficit)	<u>1,641,573</u>
Gain on disposal of a subsidiary	<u><u>4,641,573</u></u>

Net cash flows on disposal of partial interest in a subsidiary:

	<i>QR</i>
Consideration received in cash and cash equivalents	3,000,000
Less: Bank balances and cash	<u>(121,647)</u>
	<u><u>2,878,353</u></u>