

2 0 1 1 Annual Report

Al Meera  الميرة





H.H. Sheikh Tamim Bin Hamad Al Thani
Heir Apparent



H.H. Sheikh Hamad Bin Khalifa Al Thani
Emir of the State of Qatar



H.E. Abdulla Bin Khalid Al Qahtani

CHAIRMAN

Board of
Directors



Dr. Saif Said Al Sowaidi
VICE CHAIRMAN



Dr. Saleh Mohammed Al Nabit
BOARD MEMBER



Mr. Ahmed Abdullah Al Khulaifi
BOARD MEMBER



Dr. Mohammed Ibrahim Al Sulaiti
BOARD MEMBER



Mr. Jassim Mohammed Al Kubaisi
BOARD MEMBER



**Mr. Mohammad Abdulla
Al Mustafawi Al Hashemi**
BOARD MEMBER



Mr. Guy Sauvage
CEO



Dr. Mohammed Nasser Al-Qahtani
Deputy CEO



Maher Eihalabi
Sales & Operations Director



Emad Al Kahlout
Acting Director Of Legal Affairs &
Board Secretary



Teck Boo Chow
Finance Director





H.E. Abdulla Bin Khalid Al Qahtani

CHAIRMAN

Chairman's Message

In the Name of Allah, the Most Gracious , the Most Merciful

Dear Shareholders,

I am always eager to meet you as I know how eager you are to see what your Company has achieved in the past year and what it aspires to achieve in the coming period, where we will work toward turning opportunities and challenges into gains, while expanding the framework of the company to attain footings in innovative activities and in new locations.

The Executive Management has invested much effort during the last year, resulting in establishing new local, regional, and global partnerships. The outcome of these partnerships was the expansion of our import base, product diversification, entering into additional locations, opening new areas of activities, and putting Al Meera at the forefront of companies that attracts the attention of investors, producers, financiers, and developers.

The year 2011 is the year in which the company expanded and sales exceeded one billion riyals. It is also the year that you encouraged the company to increase its achievement, while its reputation grew in the local markets and beyond, as net profit increased to QR77.3 million. The share of the Company maintained its value which exceeded more than most companies listed on the Qatar Stock Exchange, keeping and further increasing the value of your investment to your benefit.

Steps and ambitions of your Company do not stop here. The inauguration of the Abu Nakhla branch represented the first of our new branches. We reached this achievement through you, because you were determined to serve the country as appreciation for the welfare it grants us. Work is ongoing in Nuaija branch which we hope to inaugurate at the end of the current year. We, through Al Meera Holding, have acquired both Qatar Markets Company ("Giant Stores") and Al Oumara Bakery and are looking forward to expanding our activities, increasing sales, reinforcing profits, and exploiting our experiences in order to deepen our presence in

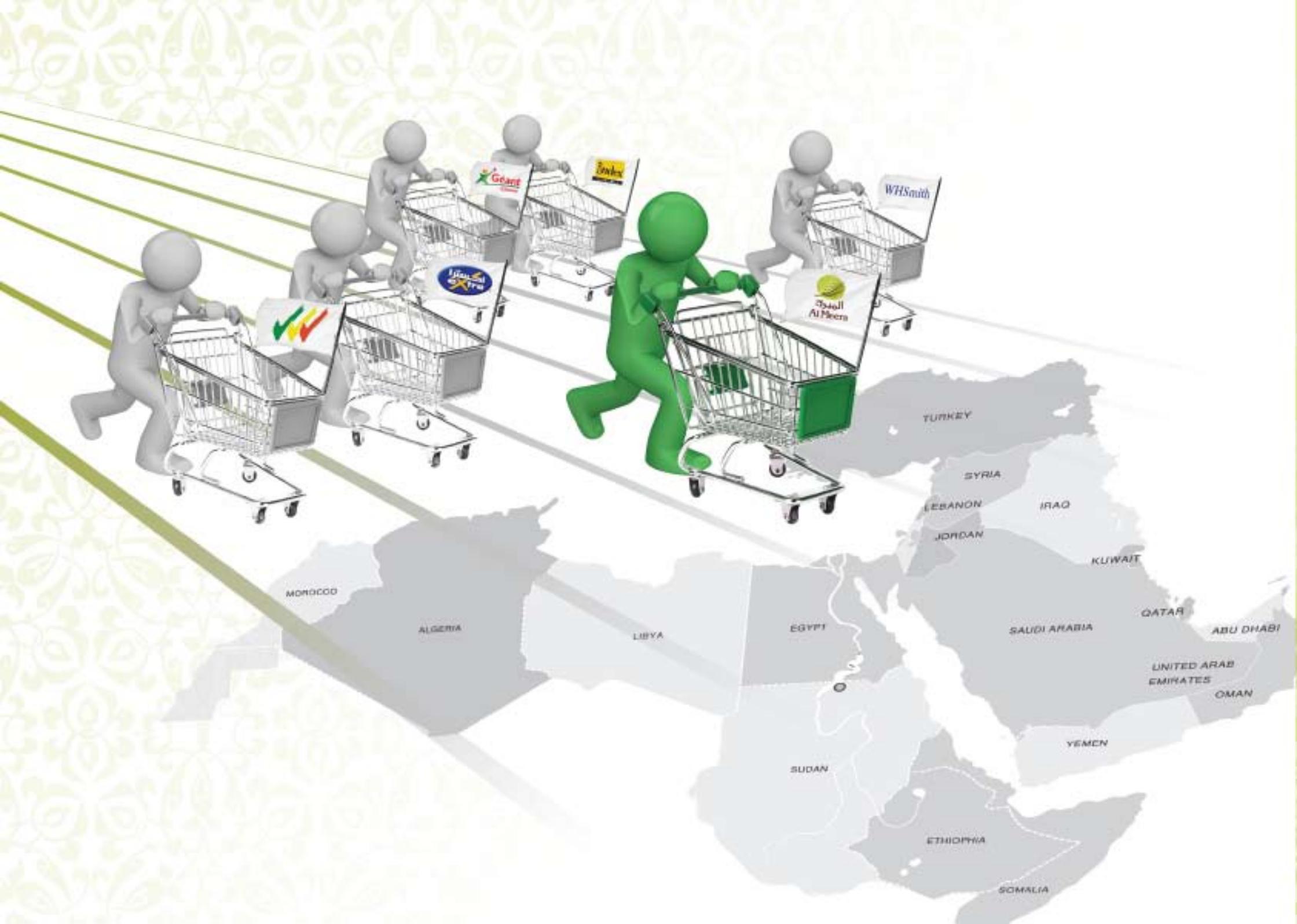
various spheres of commercial activities in the local and regional markets, whether independently or through strategic relationships. Your ambitions are also our ambitions in making Al Meera the first in everything it does.

On this occasion, I would like to express on your behalf, thanks and great appreciation and gratitude to His Highness Sheikh Hamad Bin Khalifa Al Thani, Emir of our beloved country, and to His Highness Heir Apparent Sheikh Tamim Bin Hamad Al Thani for their permanent guidance and support to our national company, as well as to His Excellency the Prime Minister and Minister of Foreign Affairs, Sheikh Hamad Bin Jassem Al Thani, for assisting in overcoming the difficulties facing the company and granting it the priority to move into the future with determination to succeed .

I have the pleasure to express my gratefulness to you, dear shareholders, for your support to your company which, as promised, is upgrading its activities and increasing its sales and profits, and does not retreat from accomplishments made, and does not cower before the challenges it faces. We would like to thank you as well for your trust in the Board of Directors, and your appreciation for all the efforts invested by the company's personnel, and we ask from The Lord Almighty and Exalted to permanently grant us security and welfare under the wise leadership of this beloved country, as we emulate their steps toward achieving our goals with determination, perseverance, and seriousness.

Abdulla Bin Khalid Al Qahtani

Chairman of the Board





BOARD OF DIRECTORS'
REPORT

In the Name of Allah, the Most Gracious , the Most Merciful

Dear Shareholders,

It is my pleasure and honor, on behalf of the Board of Directors of Al Meera Consumer Goods Company (Q.S.C.), to present to you the Sixth Report of the Board of Directors on the Company's activity and financial position for the financial year ended 31 December 2011, outlining the features of the Company's performance and the financial results, in addition to the future plan for the fiscal year 2012, along with relevant strategic steps that will define our work for the upcoming years.

Dear Shareholders,

The Board of Directors have continued its work in implementing the plans for the development of the Company's branches and opening new horizons to further enhance its position, turning challenges into opportunities, and overcoming weaknesses turning them into advantages and strengths, without compromising our services enhancement that our customers aspire for. Proceeding from this, the Board continued to execute the Company's Strategic Plan which is based on solid foundations, focusing on the assessment of current status quo and potential future prospects by adhering to excellence and strength.

Besides the increase in Company's sales compared with the results of the last year, more gains were made that reinforced the Company's economic position in the local economy and beyond it. Al Meera has become a nexus of interest for those interested in financial and commercial activities, locally and regionally, and a center of interest for international institutions.

The following have been achieved during fiscal year 2011, in addition to what we are looking forward to during 2012.

First: Operating Sector Performance

One of the most important elements of succeeding in retail is to continue investing in

operational infrastructure, setup and fixtures and fittings. It is important to recall that the nature of the Company's operation is based on two main foundations: maintaining the largest number of existing customers and attracting more new customers. In order to achieve this, the Company will continue researching in what would respond to the expectations of customers, as their tastes and desire for quality of goods and services change, in addition to what they aspire for in facilities and developments that satisfy them.

The Company imports have strengthened, particularly the import of materials and products under Al Meera's brand name, allowing the Company to guide quality and keep up with the needs of the customers, and to reinforce profitability that lead to returns and benefits to shareholders. Imported items under Al Meera's brand name have reached a total of 500 items. This is only the beginning of a plan aimed at developing sources of excellence and profitability.

We have started to install new refrigerators, cooling devices, and other equipment to expand our offerings in fresh products such as fruits, vegetables, meat and fish in more branches of the Company which is within our action plan aimed at installing new equipment in branches that are in need for such equipment and have the potential to increase their sales and profitability. The development plan, which includes branches of Al Wakra, Al Mansoura, Khalifa South, and Bin Omran, involves the improvements of buildings wherever needed with regard to its life, and reconstruction.



Sales were reinforced by using our packing machines to wrap and distribute cereals and legumes, to give the Company a good opportunity to expand its product offerings and to make more goods available to customers at competitive prices, resulting in increase profitability for Al Meera.

Second: Sales and Gross Profit

In the financial year ended 31 December 2011, sales were at QR 1,166.3 million, compared to QR 914.8 million in the previous financial year, showing an increase of 27.5%. Fresh products sales increased more than 22.8% in comparison with last year. As an example, fruits and vegetables sales increased by 19.1%, dairy cheese sales by 20.6%, butchery sales by 28.7%, whilst bakery sales increased by 155.0% as a result of inaugurating more bakery counters in five branches. Gross profit amounted to QR176.9 million, compared to QR 122.5 million last year, resulting in an increase of 44.4%.

Third: Revenues and Assets

Operating income amounted to QR 226.0 million, an increase of QR 57.3 million or 33.9 %, compared to last year. In addition:

- Rental income of leased stores in different Company's branches increased in 2011 to QR 31.0 million, an increase of 15.8% from last year despite closing down the Nuaija branch for rehabilitation and the loss of rental income from the Maizer branch.
- Total assets were at QR 765.7 million, compared to QR 434.5 million last year, showing an increase of QR 331.2 million, or 76.2 %.
- Available-for-sale investments amounted to QR 109.7 million, compared to QR 108.1 million last year, an increase of QR 1.6 million, or 1.5%.

Fourth: Net Profit

The Company achieved net profit of QR 77.3 million, compared to QR 65.5 million,

an increase of 18.0% from last year, despite an increase of 24.9% in cost of sales. The increase in sales of QR 251.5 million, equivalent to 27.5%, and the growth in operating income led to significant growth in our profits.

In light of achieved profits, the Board of Directors proposes to distribute dividend of QR 7.00 per share, which is equivalent to 70% of the nominal share value. In the event the proposed dividend is approved by the General Assembly, Al Meera would have further reinforce shareholders' gains cumulatively, continuing from the free shares that the Government dedicated to shareholders amounting to 112 shares for each shareholder. Growth in terms of assets and different activities contributed to the increase in profits, and it is expected that the Company will achieve greater profit levels after completing the construction of more branches and operating them in the coming two years.

Fifth: Investment

Despite the continuous influence of the financial crisis on global markets which are still slowly recovering from the negative impacts, the Company's Investment Portfolio generated net realized gains of QR 7.1 million, compared to QR 6.6 million and dividend income of QR 4.4 million, compared to QR 4.2 million last year.

Sixth: Information Technology

The Company has started to install the new Enterprise Resource Planning (ERP) system which will enhance efficiency and support the Company expansions. It is expected to be fully operational by mid-year 2012. The Company is also establishing a secondary Information Technology hub to avoid risks associated with having one primary data site.

Seventh: Local and Regional Expansion

Al Meera Holding acquired Qatar Markets Company W.L.L. ("Giant Stores") and Al Oumara Bakery, which provided five new sale outlets in different areas totaling 15,000

square meters, in addition to providing Al Meera with a Company-owned bakery that will supply Al Meera's branches with baked goods which will complement sales and profitability.

These acquired businesses contributed QR 208.0 million and QR 10.3 million in sales and net profit, respectively, and had the acquisition occurred on 1 January 2011 sales and net profit from the acquired businesses would have been QR 413.5 million and QR 15.6 million, respectively, and the consolidated sales and net profit would have been QR 1,371.7 million and QR 82.7 million, respectively.

In August 2011, Al Meera introduced its new design concept that would be used to refurbish the stores in its current network. Al Meera has already refurbished Khalifa South and Mansoura branches. The store in Dafna area will be refurbished by end of June 2012. Al Meera's pioneered Hypermarket, on New Airport Road will open in mid-March 2012 to service customers in the surrounding community. This new branch has been sub-leased from Dasman Group who has decided to vacate the premises.

Al Meera's goal is to become a major regional retail player. To achieve this goal, Al Meera and its subsidiaries have recently signed four major agreements with international retailers to operate retail outlets in Qatar and regionally:

- Al Meera Holding has announced the formation of a Joint Venture with the French retailer, Casino Group, to operate Hypermarkets under the banner of "Geant" in Tunisia, Libya, Egypt, and Jordan, in addition to the current franchise projects in Qatar and Oman. Al Meera Holding has signed a MOU with National Investment Fund Company (NIFCO) of Oman to jointly operate shopping Malls and supermarkets in Oman. Al Meera and NIFCO have already sourced several locations in Oman which might be suitable for building shopping Malls in order to be ready for opening by 2015.
- Al Meera Holding has recently announced its intention to form a Joint Venture with United Electronic Company, a Saudi joint stock company, to operate 4,000 square meters of Electronics Mega-Stores under the banner of "eXtra" in Qatar. "eXtra" operates on a unique category concept which has



dominated the main electronic market in Saudi Arabia and Bahrain and is far ahead of its competitors.

- Al Meera Holding has signed a franchise agreement with Index Living Mall Company Limited, a limited liability company incorporated in Thailand, to operate Furniture Mega-Stores in Qatar, as well as in Egypt, Oman and Jordan. Under the banner of "Index Living Mall", Al Meera will operate 10,000 square meters of megastores offering a complete range of home and office furniture, kitchen, and built-in and decorative items. Index Living Mall is one of the largest manufacturers of furniture in the world providing products to main retailers such as Wal-Mart and IKEA.

- Al Meera Holding has signed a franchise agreement with W H Smith Travel Limited, the world market leader in the supply of magazines, books and stationery, to operate bookstores in Qatar. Under this agreement, Al Meera Holding will open at least 10 stores within the coming 5 years.

Through these agreements, Al Meera demonstrates its goal to continue its ambitious expansion plan in the food business as well as in the non-food business while embracing new hypermarket concept, like Geant, Index Living Mall and eXtra.

The Company has concluded a strategic cooperation agreement with a global Company specializing in providing a vast array of imported consumer goods at competitive prices that will see Al Meera increase its competitiveness in Qatar and in its regional expansion that is planned for the forthcoming phase.

Eighth: Abu Nakhla Branch

The Company completed construction of its Abu Nakhla branch and has started operating the branch to serve the region in line with the policy of the Company to expand its framework in various regions of the State of Qatar. The branch, with ample space and featuring the new design, is fitted with state-of-the-art equipment and has diversified activities to support it in serving the community.

The retail area dedicated to Al Meera amounts to 3,082 square meters, out of the overall Mall area of 16,788 square meters.

Ninth: Other Projects

The Company continues to expand its scope of work and modernize its branches in Qatar as promised to its shareholders and the general public, and in this regard:

- Construction works continue at the Nauija branch which will represent a qualitative shift in the design of commercial centres and corporate branches, and is designed according to the highest levels of quality and service

standards. Construction works are expected to be completed by the end of the current year.

- The Company signed an agreement with a distinguished national engineering firm to design the new Al Mansoura Mall which will bring a lot of our aspirations towards strengthening the role of the Company in the local market and serving the national economy. In addition, this firm will also design the Ain Khalid Shopping Mall which will cover an area of 45,000 square meters, of which 10,000 square meters will be dedicated to Hypermarket that will house an Electronic Mega-Store and a Furniture Mega-Store. It is anticipated that this Mall in Ain Khalid will open in 2014. This Mega-Mall concept will be duplicated in another location north of Doha in the coming years.
- The Company concluded a contract with a distinguished national engineering firm to design six branches in different areas, namely, Al Aziziya, Al Khor, Al Wajba, Al Wakra, Al Maizer, and Al Rawdat Al Dima, in order to expand the geographical footprint of the Company.
- The Company signed a contract with a specialized international Company to carry out engineering designs for Hazm Al Markhiya branch, which is to be demolished and reconstructed to meet the highest level of standards by expanding the retail space and increasing the amount of parking spaces for vehicles.

Tenth: New Structure of Al Meera Group

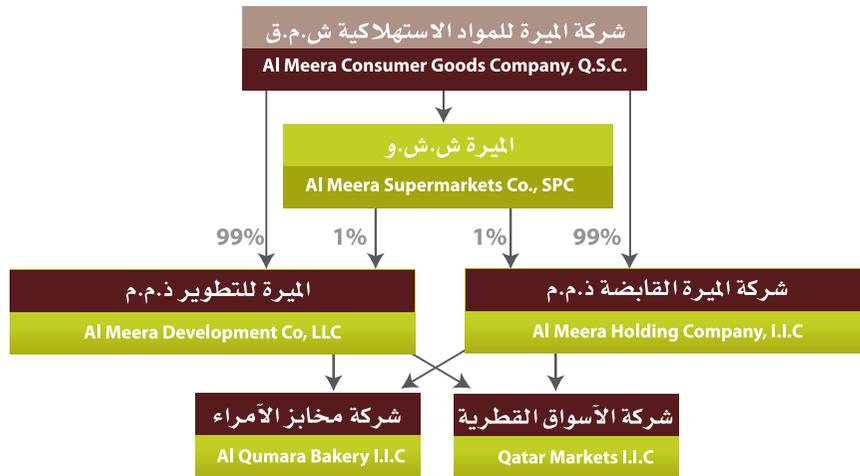
To facilitate the Company's franchise and joint venture activities with local and international companies and establishments, it is necessary to amend the structure of Al Meera Group.

The objectives of creating a new structure are to limit and minimize Al Meera's exposure to liability due to the nature of its business, to create a flexible corporate

BOARD OF DIRECTORS' REPORT (continued)

structure for ease of operations in Qatar and abroad, and to enable Al Meera to control and manage the finances and operations of its subsidiaries more effectively and efficiently.

The new structure is shown in the chart below:



2012 Overview

The Company's success in enhancing shareholders' value is a primary result of its ability to look at the future vision whilst working on the present reality. The steps currently under execution which will bear fruit in the near future and those that are planned to be started and carried through in the current year are the following:

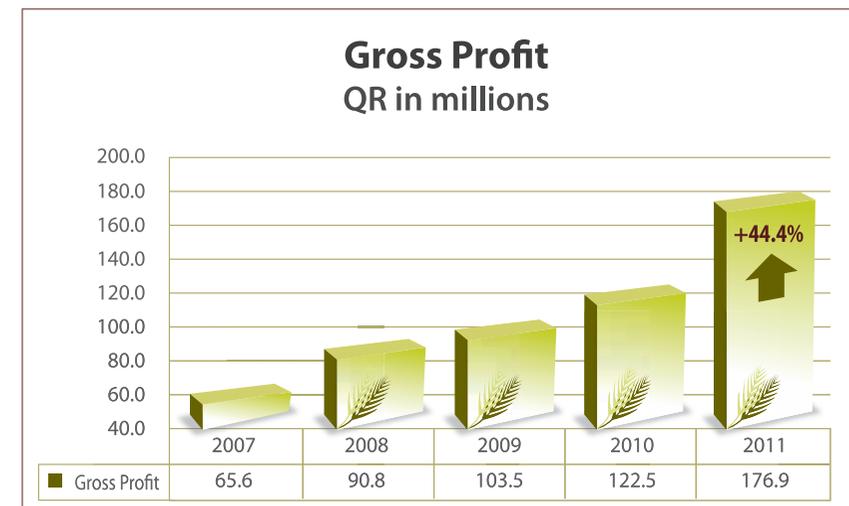
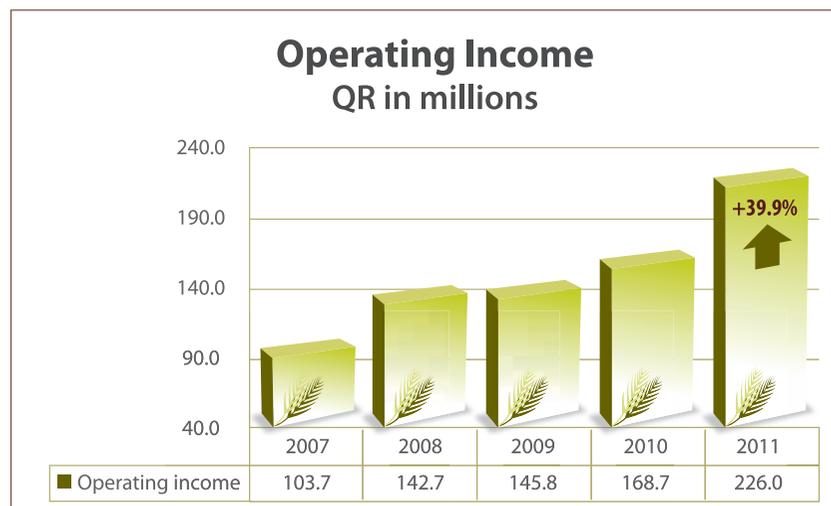
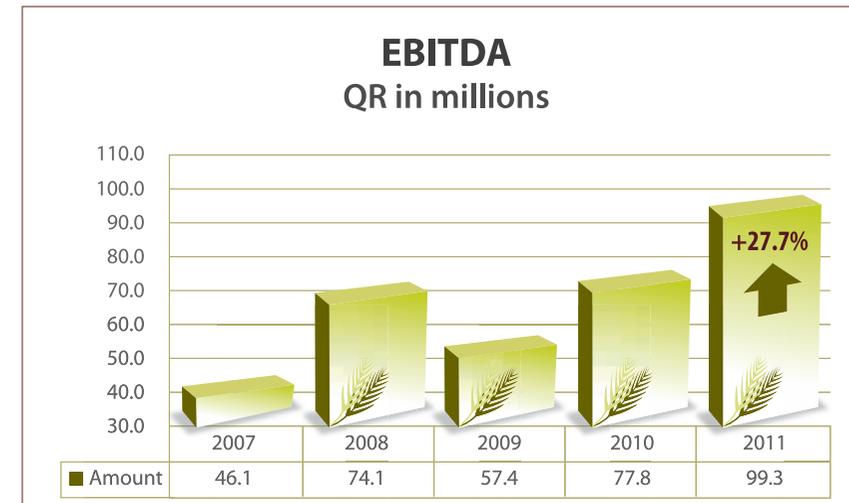
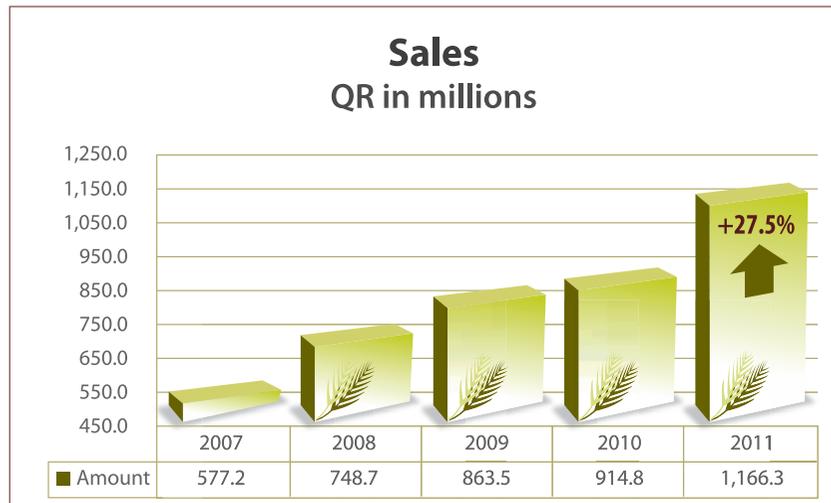
1. Launching two tenders for the construction of the two branches in Jeryan Nejaima and Mureikh during the first quarter of 2012, upon obtaining approval from the official authorities.
2. Launching a bid to construct Ain Khalid Mall by the second quarter of the current year.

3. Installing fittings, operating equipment and supplies in Naujia branch to be inaugurated at the end of the current year.
4. Concluding a number of strategic bilateral agreements between Al Meera and a number of international companies, to cooperate in different consumer trade activities in Qatar.
5. Consolidating direct import policy to reinforce profitability and increase sales.
6. Implementing the new Enterprise Resource Planning system in all branches
7. Completing engineering designs for a number of branches; for example, Al Mansoura and Hazm Al Markhiya branches.
8. Working towards signing and activating agreements to operate regionally and in other Arab countries in order to conduct Al Meera's business outside the State of Qatar in cooperation with private and public Qatari establishments.

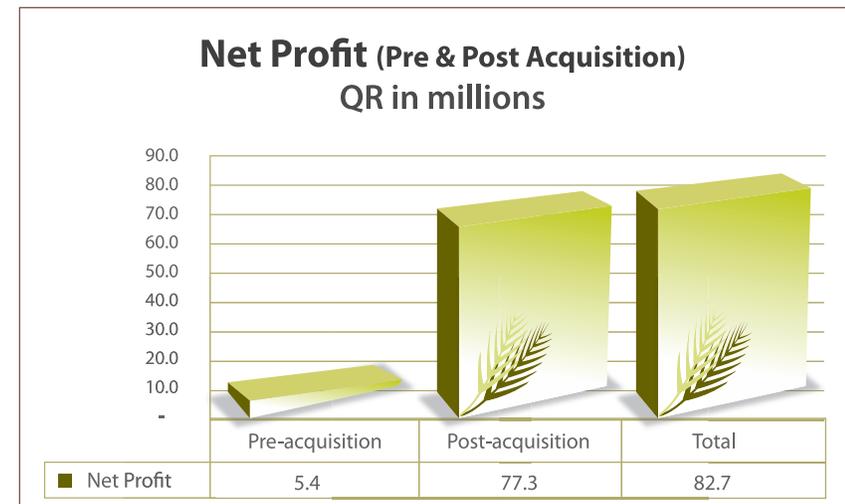
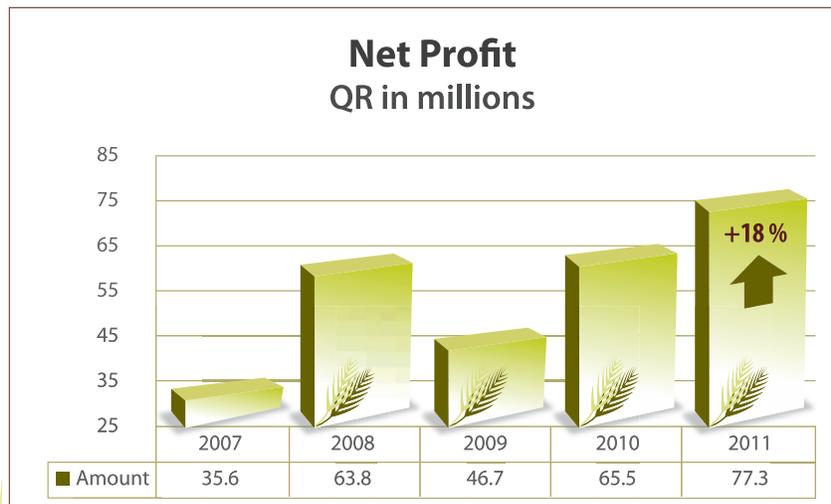
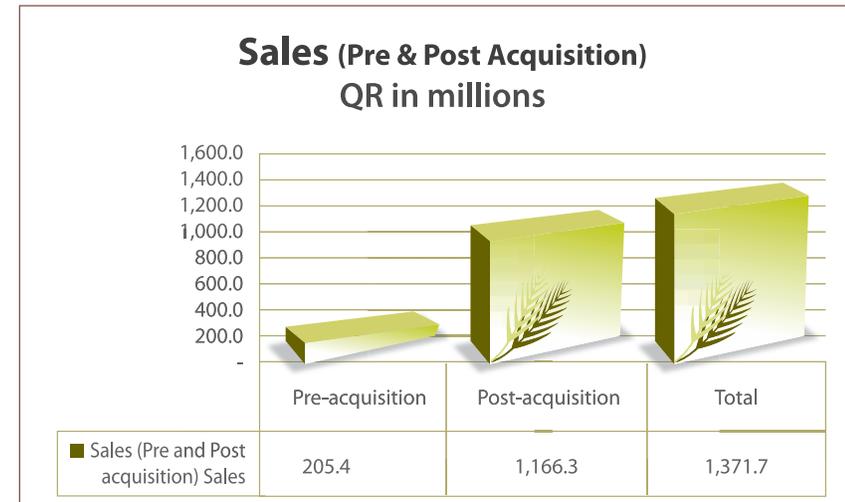
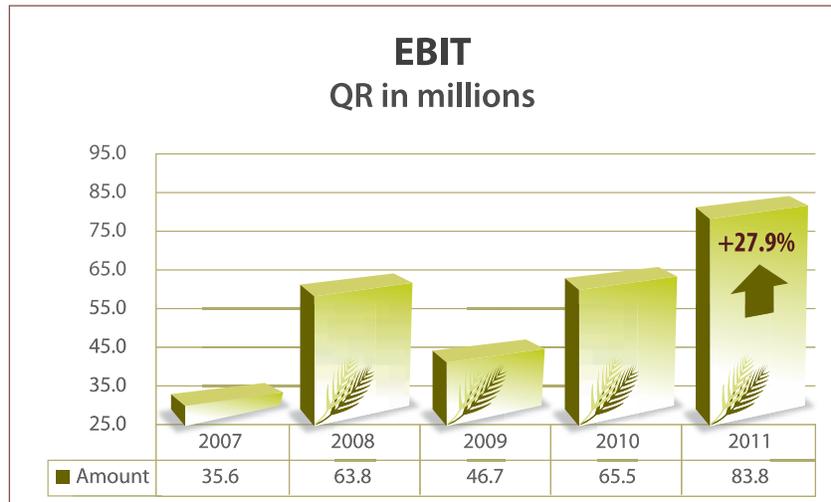
Thank you



Al Meera Consumer Goods Company Q.S.C.
Five Year Annual Performance Summary



Al Meera Consumer Goods Company Q.S.C.
Five Year Annual Performance Summary (continuation)





AL MEERA CONSUMER GOODS COMPANY (Q.S.C.)
CONSOLIDATED FINANCIAL STATEMENTS
31 DECEMBER 2011

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF AL MEERA CONSUMER GOODS COMPANY Q.S.C.

Report on the Financial Statements

We have audited the accompanying consolidated financial statements of Al Meera Consumer Goods Company Q.S.C. ("the Company") and its subsidiaries (together "the Group"), which comprise the consolidated statement of financial position as at 31 December 2011 and the consolidated income statement, consolidated statement of comprehensive income, consolidated statement of cash flows and consolidated statement of changes in equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

Board of Directors' Responsibility for the Consolidated Financial Statements

The Board of Directors is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Group as of 31 December 2011 and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

Other matter

The financial statements of the Company for the year ended 31 December 2010 were audited by another auditor, whose report dated 20 March 2011 expressed a qualified audit opinion on those financial statements.

Report on Other Legal and Regulatory Requirements

Furthermore, in our opinion, proper books of account have been kept by the Company, an inventory count has been conducted in accordance with established principles, and the financial statements comply with the Qatar Commercial Companies' Law No. 5 of 2002 and the Company's Articles of Association. We have obtained all the information and explanations we required for the purpose of our audit and are not aware of any violations of the above mentioned law or the Articles of Association having occurred during the year, which might have had a material effect on the business of the Company or on its financial position.

Firas Qoussous

Of Ernst & Young
Auditor's Registration No. 236

Date: 12 March 2012
Doha

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 December 2011

	Notes	2011 QR	2010 QR (Restated)
ASSETS			
Non-current assets			
Property and equipment	3	172,550,399	109,714,049
Intangible assets	4	1,311,333	1,039,355
Available-for-sale investments	5	109,730,759	108,084,470
Goodwill	6	237,562,386	-
		521,154,877	218,837,874
Current assets			
Inventories	7	87,702,963	52,220,446
Accounts receivable and prepayments	8	40,027,437	21,322,984
Bank balances and cash	9	116,835,635	142,165,672
		244,566,035	215,709,102
Total assets		765,720,912	434,546,976

LIABILITIES AND EQUITY

Equity			
Share capital	10	100,000,000	100,000,000
Legal reserve	11	53,509,967	53,509,967
Optional reserve	11	21,750,835	21,750,835
Fair value reserve for investments		6,273,700	9,542,911
Retained earnings		89,922,728	64,441,663
Total equity		271,457,230	249,245,376

	Notes	2011 QR	2010 QR (Restated)
Liabilities			
Non-current liabilities			
Loans and borrowings	12	244,407,273	-
Employees' end of service benefits	13	18,672,256	12,705,949
		263,079,529	12,705,949
Current liability			
Accounts payable and accruals	14	229,016,986	172,595,651
Loans and borrowings	12	2,167,167	-
		231,184,153	172,595,651
Total liabilities		494,263,682	185,301,600
Total shareholders' equity and liabilities		765,720,912	434,546,976



Mr. Abdulla Bin Khalid Al Qahtani
Chairman



Dr. Saif Saeed Al-Sowaidi
Vice Chairman

• The attached notes 1 to 28 are an integral part of these financial statements

CONSOLIDATED INCOME STATEMENT

For the year ended 31 December 2011

	Notes	2011 QR	2010 QR (Restated)
Sales		1,166,268,962	914,795,192
Cost of sales		(989,366,738)	(792,330,678)
Gross profit		176,902,224	122,464,514
Shops rental income		30,977,867	26,747,788
Other income	17	18,074,131	19,495,560
Operating income		225,954,222	168,707,862
General and administrative expenses	18	(126,692,739)	(90,952,755)
Depreciation	3	(14,839,859)	(11,866,475)
Finance costs		(6,490,924)	-
Amortisation of intangible assets	4	(625,994)	(363,919)
Profit for the year		77,304,706	65,524,713
BASIC AND DILUTED EARNINGS PER SHARE			
(Expressed as QR per share)	19	7.73	6.55

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2011

	Notes	2011 QR	2010 QR (Restated)
Profit for the year		77,304,706	65,524,713
Other comprehensive income			
Net movement in fair value of available-for-sale investments	20	(3,269,211)	9,334,640
Total comprehensive income for the year		74,035,495	74,859,353

• The attached notes 1 to 28 are an integral part of these financial statements

CONSOLIDATED STATEMENTS OF CASH FLOWS

For the year ended 31 December 2011

	Notes	2011 QR	2010 QR (Restated)		Notes	2011 QR	2010 QR (Restated)
OPERATING ACTIVITIES				INVESTING ACTIVITIES			
Profit for the year		77,304,706	65,524,713	Acquisition of subsidiaries net of cash acquired	6	(242,422,346)	-
Adjustments for:				Purchase of available-for-sale investments		(82,429,510)	(130,316,048)
Depreciation	3	14,969,533	11,866,475	Proceeds from sale of available-for-sale investments		84,589,595	121,231,670
Amortisation of intangibles	4	625,994	363,919	Purchase of property and equipment	3	(63,846,144)	(27,462,842)
Interest income	17	(2,671,046)	(4,967,885)	Proceed from sale of property and equipment		117,407	3,500
Gain on sale of available for sale of investments, net	17	(7,075,585)	(6,642,103)	Purchase of intangible assets	4	(125,000)	(1,403,274)
Provision/(recovery) for doubtful debts, net	8	100,502	(146,080)	Net movement in deposits maturing after 90 days		12,855,006	19,625,235
Provision of employees' end of service benefits	13	3,342,330	2,546,054	Dividend received	17	4,359,053	4,167,960
Loss/(gain) on sale of property and equipment		748,240	(3,500)	Interest received		1,937,070	4,302,338
Dividends income	17	(4,359,053)	(4,167,960)				
		82,985,621	64,373,633	Net cash used in investing activities		(284,964,869)	(9,851,461)
<i>Working capital changes:</i>				FINANCING ACTIVITIES			
Accounts receivable and prepayments		12,488,088	13,401,158	Net movement in Loans and borrowings	12	246,574,440	-
Inventories		(6,408,299)	(3,535,665)	Dividends paid		(78,360,345)	(41,264,841)
Accounts payable and accruals		18,093,577	7,292,389				
Cash from operations		107,158,987	81,531,515	Net cash from/(used in) financing activities		168,214,095	(41,264,841)
Payment of employees' end of service benefits	13	(1,349,325)	(687,346)	(Decrease)/increase in cash and cash equivalents		(12,475,031)	28,462,088
Payment of contribution to social fund		(1,533,919)	(1,265,779)	Cash and cash equivalents at 1 January		57,122,845	28,660,757
Net cash from operating activities		104,275,743	79,578,390	Cash and cash equivalents at 31 December	9	44,647,814	57,122,845

• The attached notes 1 to 28 are an integral part of these financial statements

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2011

	<i>Capital QR</i>	<i>Legal Reserve QR</i>	<i>Optional Reserve QR</i>	<i>Fair Value Reserve for Investments QR</i>	<i>Retained Earnings QR</i>	<i>Total QR</i>
Balance at 1 January 2010	100,000,000	53,509,967	21,750,835	208,271	45,450,869	220,919,942
Profit for the year (as previously stated)	-	-	-	-	63,990,794	63,990,794
Prior period adjustment (Note 27)	-	-	-	-	1,533,919	1,533,919
Profit for the year (as restated)	-	-	-	-	65,524,713	65,524,713
Other comprehensive income	-	-	-	9,334,640	-	9,334,640
Total comprehensive income for the year (as restated)	-	-	-	9,334,640	65,524,713	74,859,353
Appropriation for contribution to social fund (Note 16 and 27)	-	-	-	-	(1,533,919)	(1,533,919)
Dividends declared (Note 15)	-	-	-	-	(45,000,000)	(45,000,000)
Balance at 31 December 2010 (as restated)	100,000,000	53,509,967	21,750,835	9,542,911	64,441,663	249,245,376
Profit for the year	-	-	-	-	77,304,706	77,304,706
Other comprehensive loss	-	-	-	(3,269,211)	-	(3,269,211)
Total comprehensive income for the year	-	-	-	(3,269,211)	77,304,706	74,035,495
Appropriation for contribution to social fund (Note 16)	-	-	-	-	(1,823,641)	(1,823,641)
Dividends declared (Note 15)	-	-	-	-	(50,000,000)	(50,000,000)
Balance at 31 December 2011	100,000,000	53,509,967	21,750,835	6,273,700	89,922,728	271,457,230

• The attached notes 1 to 28 are an integral part of these financial statements

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

At 31 December 2011

1. CORPORATE INFORMATION

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. 5 of 2002. 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") operate in the State of Qatar and their main activities involve the wholesale and retail trading of various types of consumer goods commodities; owning and managing consumer outlets; and trading in foodstuff 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 Company is the ultimate parent of the following Companies:

Entity Name	Country of Incorporation	Relationship	Ultimate Ownership Interest	
			2011	2010
Al Meera Holding Company L.L.C.	Qatar	Subsidiary	100%	-
Al Meera Supermarkets Company S.P.C.	Qatar	Subsidiary	100%	-
Al Meera Development Company L.L.C.	Qatar	Subsidiary	100%	-
Qatar Markets Company W.L.L.	Qatar	Subsidiary	100%	-
Al Oumara Bakeries Company W.L.L.	Qatar	Subsidiary	100%	-

- **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 investments and managing its subsidiaries, owning patents, trade-works, incorporeal rights, fungibles 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 Qatar. The company is engaged in establishment and management of business enterprise and investing therein, owing shares, movable 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, incorporeal rights, fungibles 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. Its share capital is owned 99% and 1% by Al Meera Holding and Al Meera Development respectively. The company is engaged in the sale of food stuff, household items and garments.

- **Al Oumara Bakeries Company W.L.L. ("Al Oumara")** is a limited liability company, incorporated in the State of Qatar. Its share capital is owned 99% and 1% by Al Meera Holding and Al Meera Development respectively. The company is engaged in the manufacture and sale of bakery products.

The consolidated financial statements of the Company for the year ended 31 December 2011 were authorized for issue by the Chairman and the Vice Chairman on 12 March 2012.

2. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation

The consolidated financial statements are prepared under historical cost basis, except for available-for-sale investments that have been measured at fair value.

2.2 Statement of compliance

The consolidated financial statements of the Company have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB) and applicable requirements of Qatar Commercial Companies' Law No. 5 of 2002.

2. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (continued)

2.3 Basis of consolidation

The consolidated financial statements comprise the financial statements of Al Meera Consumer Goods Company Q.S.C. and its subsidiaries as at 31 December 2011.

Subsidiaries are fully consolidated from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date such control ceases.

Jointly controlled entities are proportionately consolidated from the date of acquisition, being the date in which the Group obtains joint control, and continue to be proportionately consolidated until the date that such joint control ceases.

The financial statements of the subsidiaries and jointly controlled entities are prepared for the same reporting period as the parent company, using consistent accounting policies.

All intra-group balances, income and expenses and unrealised gains and losses resulting from intra-group transactions are eliminated in full.

Non-controlling interests represent the portion of profit or loss and net assets that is not held by the Group and are presented separately in the consolidated income statement, consolidated statement of comprehensive income and within equity in the consolidated statement of financial position, separately from parent shareholders' equity.

2.4 Changes in accounting policies and disclosures

The accounting policies adopted in the preparation of the financial statements are the same as those followed in the preparation of the Group's annual financial statements for the year ended 31 December 2010, except as noted below.

During the year, the Group adopted the following standards effective for annual periods beginning on or after 1 January 2011.

IAS 24, 'Related Party Disclosures (Revised)'

The definition of a related party has been clarified to simplify the identification of related party relationships, particularly in relation to significant influence and joint control. A partial exemption from the disclosures has been included for government-related entities.

For these entities, the general disclosure requirements of IAS 24 will not apply. Instead, alternative disclosures have been included, requiring: (a) The name of the government and the nature of its relationship with the reporting entity (b) The nature and amount of individually significant transactions (c) A qualitative or quantitative indication of the extent of other transactions that are collectively significant. This amendment did not give rise to any changes to the Group's financial statements.

IAS 32, 'Financial Instruments: Presentation - Classification of rights issues (Amendment)'

The definition of a financial liability has been amended to classify rights issues (and certain options or warrants) as equity instruments if: (a) The rights are given pro rata to all of the existing owners of the same class of an entity's non-derivative equity instruments and (b) In order to acquire a fixed number of the entity's own equity instruments for a fixed amount in any currency. The amendment provide reliefs to entities that issue rights (fixed in a currency other than their functional currency), from treating the rights as derivatives with fair value changes recorded in profit or loss. Rights issued in foreign currencies that were previously accounted for as derivatives will now be classified as equity instruments. This amendment did not give rise to any changes to the Group's financial statements.

Improvements to IFRSs

In May 2010, the IASB issued its third omnibus of amendments to its standards, primarily with a view to removing inconsistencies and clarifying wording. There are separate transitional provisions for each standard. The adoption of the following amendments resulted in changes to accounting policies, but no impact on the financial position or performance of the Group.

• *IFRS 3 Business Combinations*: The measurement options available for non-controlling interest (NCI) were amended. Only components of NCI that constitute a present ownership that entitles their holder to a proportionate share of the entity's net assets

in the event of liquidation should be measured at either fair value or at the present ownership instruments' proportionate share of the acquiree's identifiable net assets. All other components are to be measured at their acquisition date fair value.

- *IFRS 7 Financial Instruments — Disclosures:* The amendment was intended to simplify the disclosures provided by reducing the volume of disclosures around collateral held and improving disclosures by requiring qualitative information to put the quantitative information in context.

- *IAS 1 Presentation of Financial Statements:* The amendment clarifies that an entity may present an analysis of each component of other comprehensive income maybe either in the statement of changes in equity or in the notes to the financial statements. The Group provides this analysis in Note 20.

Other amendments resulting from Improvements to IFRSs to the following standards did not have any impact on the accounting policies, financial position or performance of the Group:

- IFRS 3 Business Combinations (Contingent consideration arising from business combination prior to adoption of IFRS 3 (as revised in 2008)).
- IFRS 3 Business Combinations (Un-replaced and voluntarily replaced share-based payment awards)
- IAS 27 Consolidated and Separate Financial Statements
- IAS 34 Interim Financial Statements

The following interpretation and amendments to interpretations did not have any impact on the accounting policies, financial position or performance of the Group:

- IFRIC 13 Customer Loyalty Programmes (determining the fair value of award credits)
- IFRIC 19 Extinguishing Financial Liabilities with Equity Instruments

Standards issued but not yet effective

Standards issued but not yet effective up to the date of issuance of the Group's financial statements are listed below. This listing of standards and interpretations issued are those that the Group reasonably expects to have an impact on disclosures, financial position or performance when applied at a future date. The Group intends to adopt these standards when they become effective. The Group is currently considering the

implications of the new IFRSs which are effective for future accounting periods and has not early adopted any of the new Standards as listed below:

<i>Standard</i>	<i>Title</i>
IAS 1	Financial Statement Presentation - Presentation of Items of Other Comprehensive Income (Effective for annual periods on or after 1 July 2012).
IAS 27	IAS 27 Separate Financial Statements (as revised in 2011) (Effective 1 January 2013)
IAS 28	Investments in Associates and Joint Ventures (as revised in 2011) (Effective 1 January 2013)
IFRS 9	Instruments: Classification & Measurement (Part 1) (Effective 1 January 2015)
IFRS 10	Consolidated Financial Statements (Effective 1 January 2013)
IFRS 11	Joint Arrangements (Effective 1 January 2013)
IFRS 12	Disclosure of Interests in Other Entities (Effective 1 January 2013)
IFRS 13	Fair Value Measurement (Effective 1 January 2013)

2.5 Significant accounting policies

Revenue

Revenue comprises the fair value of the consideration received or receivable for the sale of goods and services in the ordinary course of the Group's activities. Revenue is shown net of returns, rebates and discounts. The Group recognizes revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and when specific criteria have been met for each of the Group's activities as described below.

Sales of goods – retail

The Group operates a chain of retail outlets. Sales of goods are recognized when the Group sells a product to the customer. Retail sales are usually in cash or by credit card.

Shop rental income

Rental income is recognized in the statement of comprehensive income on a straight-line basis over the term of the lease.

Interest income

Interest income is recognized using the effective interest rate method. When a loan and receivable is impaired, the Group reduces the carrying amount to its recoverable



2. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (continued)

2.5 Significant accounting policies (continued)

amount, being the estimated future cash flow discounted at the original effective interest rate of the instrument, and continues unwinding the discount as interest income. Interest income on impaired loan and receivables are recognized using the original effective interest rate.

Dividend income

Dividend income is recognized when the right to receive payment is established.

Foreign currency translation

Functional and presentation currency

Items included in the financial statements of the Group are measured using the currency of the primary economic environment in which the entity operates (“the functional currency”). The financial statements are presented in “Qatari Riyals” (“QR”), which is the Group’s functional and presentation currency.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured.

Property and equipment

Property and equipment is stated at historical cost less depreciation and any impairment in value. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Subsequent costs are included in the asset’s carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognized. All other repairs and maintenance are charged to the statement of comprehensive income during the financial period in which they are incurred.

Land is not depreciated. Depreciation on other assets is calculated using the straight-line method to allocate their cost or revalued amounts to their residual values over

their estimated useful lives, as follows:

Buildings	-	5%
Refrigerators and equipment	-	20%
Motor vehicles	-	20%
Furniture and fixtures	-	20%
Computer equipments	-	20% - 33%
Leasehold improvements	-	10%

The assets’ residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset’s carrying amount is written down immediately to its recoverable amount if the asset’s carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognized within ‘Other income’ in the statement of comprehensive income.

Land donated by Government is recorded at nominal amounts estimated by management.

Capital work in progress comprises of various expansions projects currently under construction.

Business combinations and goodwill

Business combinations are accounted for using the purchase method. The cost of the business combination is measured as the aggregate of the fair values (at the date of exchange) of assets given, liabilities incurred or assumed, and equity instruments issued by the Group in exchange for control of the acquiree, plus any costs directly attributable to the business combination. The acquiree’s identifiable assets, liabilities and contingent liabilities that meet the conditions for recognition under IFRS 3 Business Combinations are recognised at their fair values at the acquisition date.

Goodwill acquired in a business combination is initially measured at cost being the excess of the cost of the business combination over the Group’s interest in the net

fair value of the acquiree's identifiable assets, liabilities and contingent liabilities recognised. If the cost of acquisition is less than the fair value of the net assets of the subsidiary acquired, the difference is recognised directly in the consolidated income statement. Following initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash generating units, or groups of cash generating units, that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the Group are assigned to those units or groups of units.

Impairment is determined for goodwill by assessing the recoverable amount of the cash-generating unit (or group of cash-generating units), to which the goodwill relates. Where the recoverable amount of the cash-generating unit (or group of cash-generating units) is less than the carrying amount of the cash-generating unit (group of cash-generating units) to which goodwill has been allocated, an impairment loss is recognised. Impairment losses relating to goodwill cannot be reversed in future periods. Goodwill is reviewed for impairment, annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired.

Where goodwill forms part of a cash-generating unit (group of cash generating units) and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation. Goodwill disposed of in this circumstance is measured based on the relative values of the operation disposed of and the portion of the cash-generating unit retained.

When subsidiaries are sold, the difference between the selling price and the net assets plus cumulative translation differences and goodwill is recognized in the consolidated income statement. The interest of minority shareholders in the acquiree is initially measured at the minority's proportion of the net fair value of the assets, liabilities and contingent liabilities recognized.

Intangible assets

Trademark and brand

Intangible assets are recognized at cost and carried at cost less accumulated amortization. Intangible assets of the Group represent the cost incurred on the development of Al Meera trademark and logo. The amortization is calculated using

the straight line method to allocate the cost over its useful life of 5 years.

Impairment of non-financial assets

Assets that are subject to amortization are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Non-financial assets that suffered impairment are reviewed for possible reversal of the impairment at each reporting date.

Financial assets

Classification

The Group classifies its financial assets in the following categories: at fair value through profit or loss, loans and receivables, and available for sale. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition.

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are financial assets held for trading. A financial asset is classified in this category if acquired principally for the purpose of selling in the short term. Derivatives are also categorized as held for trading unless they are designated as hedges. Assets in this category are classified as current assets if expected to be settled within 12 months; otherwise, they are classified as non-current.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the end of the reporting period. These are classified as non-current assets. The Group's loans and receivables comprise "trade and other receivables" and "cash and cash equivalents" presented in the consolidated statement of financial position.

2. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (continued)

2.5 Significant accounting policies (continued)

Financial assets (continued)

Available-for-sale financial assets

Available-for-sale financial assets are non-derivatives that are either designated in this category or not classified in any of the other categories. They are included in non-current assets unless the investment matures or management intends to dispose of it within 12 months of the end of the reporting period.

Recognition, measurement and derecognition

Regular purchases and sales of financial assets are recognized on the trade-date – the date on which the Group commits to purchase or sell the asset. Investments are initially recognized at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets carried at fair value through profit or loss are initially recognized at fair value, and transaction costs are expensed in the statement of comprehensive income. Financial assets are derecognized when the rights to receive cash flows from the investments have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership. Available-for-sale financial assets and financial assets at fair value through profit or loss are subsequently carried at fair value. Loans and receivables are subsequently carried at amortized cost using the effective interest rate method.

Changes in the fair value of monetary and non-monetary securities classified as available for sale are recognized in other comprehensive income.

When securities classified as available for sale are sold or impaired, the accumulated fair value adjustments recognized in equity are included in the statement of comprehensive income as “gains and losses from investment securities”.

Interest on available-for-sale securities calculated using the effective interest rate method is recognized in the statement of comprehensive income as part of other income. Dividends on available-for-sale equity instruments are recognized in the statement of comprehensive income as part of other income when the Group's right to receive payments is established.

Of setting financial instruments

Financial assets and liabilities are offset and the net amount reported in the

consolidated statement of financial position when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis, or realize the asset and settle the liability simultaneously.

Impairment of financial assets

Assets carried at amortized cost

The Group assesses at the end of each reporting period whether there is objective evidence that a financial asset or group of financial assets is impaired. A financial asset or a group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a “loss event”) and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

The criteria that the Group uses to determine that there is objective evidence of an impairment loss include:

- significant financial difficulty of the issuer or obligor;
- a breach of contract, such as a default or delinquency in interest or principal payments;
- the Group, for economic or legal reasons relating to the borrower's financial difficulty, granting to the borrower a concession that the lender would not otherwise consider;
- it becomes probable that the borrower will enter bankruptcy or other financial reorganisation;
- the disappearance of an active market for that financial asset because of financial difficulties; or
- observable data indicating that there is a measurable decrease in the estimated future cash flows from a portfolio of financial assets since the initial recognition of those assets, although the decrease cannot yet be identified with the individual financial assets in the portfolio, including:
 - (i) adverse changes in the payment status of borrowers in the portfolio; and
 - (ii) national or local economic conditions that correlate with defaults on the assets in the portfolio.

The Group first assesses whether objective evidence of impairment exists.

For loans and receivables category, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced and the amount of the loss is recognized in the statement of comprehensive income. If a loan or held-to-maturity investment has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract. As a practical expedient, the Group may measure impairment on the basis of an instrument's fair value using an observable market price.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized (such as an improvement in the debtor's credit rating), the reversal of the previously recognized impairment loss is recognized in the statement of comprehensive income.

Assets classified as available for sale

The Group assesses at the end of each reporting period whether there is objective evidence that a financial asset or a group of financial assets is impaired. For debt securities, the Group uses the criteria refer to (a) above. In the case of equity investments classified as available for sale, a significant or prolonged decline in the fair value of the security below its cost is also evidence that the assets are impaired. If any such evidence exists for available-for-sale financial assets, the cumulative loss – measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognized in profit or loss – is removed from equity and recognized in the separate statement of comprehensive income. Impairment losses recognized in the separate statement of comprehensive income on equity instruments are not reversed through the separate statement of comprehensive income. If, in a subsequent period, the fair value of a debt instrument classified as available for sale increases and the increase can be objectively related to an event occurring after the impairment loss was recognized in profit or loss, the impairment loss is reversed through the separate statement of comprehensive income.

Inventories

Inventories are stated at the lower of cost and net realizable value. Cost is determined

using the first-in, first-out (FIFO) method. Net realizable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses.

Trade receivables

Trade receivables are amounts due from customers for merchandise sold in the ordinary course of business. If collection is expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are presented as non-current assets.

Trade receivables are recognized initially at fair value and subsequently measured at amortized cost using the effective interest rate method, less provision for impairment.

Cash and cash equivalents

Cash and cash equivalents consist of cash in hand, deposits held at call with banks and other short-term highly liquid investments with original maturities of three months or less.

Share capital

Ordinary shares are classified as equity.

Trade payables

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade payables are recognized initially at fair value and subsequently measured at amortized cost using the effective interest rate method.

Employee benefits

Annual leave and air-fare ticket entitlements

A provision is made for the estimated liability for employees' entitlement to annual leave and air-fare ticket as a result of services rendered by the employees up to the consolidated statement of financial position date. This provision is included in "trade and other payables" in the consolidated statement of financial position.

Employees' end-of-service benefits

The liability recognised in the consolidated statement of financial position in respect

2. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (continued)

2.5 Significant accounting policies (continued)

Employee benefits (continued)

of end of service benefits is the present value of the defined benefit obligation at the end of the reporting period. This is calculated annually by management using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using the effective interest rate. The provision relating to end of service benefits is disclosed as non-current liability.

Employees' retirement contribution

The Group makes contribution to the General Pension Fund Authority calculated as a percentage of employees' salaries in accordance with the requirements of Law No. 24 of 2002 pertain to Retirement and Pensions. The Group's obligations are limited to these contributions which are expensed when due. This provision is included in 'trade and other payables' in the consolidated statement of financial position.

Bonus

The Group recognizes a liability and an expense for bonuses based on a certain formula. The Group recognizes a provision where contractually obliged or where there is a past practice that has created a constructive obligation.

Provisions

Provisions are recognized when the Group has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. Provisions are not recognized for future operating losses. Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognized even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The

increase in the provision due to passage of time is recognized as interest expense.

Leases

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the statement of comprehensive income on a straight-line basis over the period of the lease.

Dividend distribution

Dividend distribution to the Company's shareholders is recognized as a liability in the Company's financial statements in the period in which the dividends are approved by the Company's shareholders.



3. PROPERTY AND EQUIPMENT

	<i>Lands QR</i>	<i>Buildings QR</i>	<i>Refrigerators and Equipment QR</i>	<i>Motor Vehicles QR</i>	<i>Furniture & Fixtures QR</i>	<i>Computer Equipments QR</i>	<i>Leasehold Improvements QR</i>	<i>Capital work- in-progress QR</i>	<i>Total QR</i>
Cost:									
At 1 January 2011	5,383,975	93,802,410	49,303,746	5,020,930	22,329,391	14,899,127	11,278,120	28,859,899	230,877,598
Acquisition of assets	-	-	18,312,967	2,095,044	17,469,551	-	1,079,958	-	38,957,520
Additions	-	-	3,631,133	664,901	1,047,638	402,917	1,970,913	56,128,642	63,846,144
Disposals	-	(3,786,959)	(7,383,243)	(80,000)	(2,607,055)	(97,405)	(267,315)	-	(14,221,977)
Transfers	-	370,575	8,515,227	-	335,745	388,947	4,926,112	(14,536,606)	-
At 31 December 2011	5,383,975	90,386,026	72,379,830	7,700,875	38,575,270	15,593,586	18,987,788	70,451,935	319,459,285
Depreciation:									
At 1 January 2011	-	44,180,799	36,427,358	3,498,674	18,649,069	11,313,579	7,094,070	-	121,163,549
Relating to acquisition of assets	-	-	12,975,353	1,433,633	8,751,755	-	971,393	-	24,132,134
Provided during the year	-	4,177,582	5,173,269	690,960	2,069,442	1,670,324	1,187,956	-	14,969,533
Relating to disposals	-	(3,214,736)	(7,258,571)	(8,384)	(2,586,808)	(97,401)	(190,430)	-	(13,356,330)
At 31 December 2011	-	45,143,645	47,317,409	5,614,883	26,883,458	12,886,502	9,062,989	-	146,908,886
Net book amount									
At 31 December 2011	5,383,975	45,242,381	25,062,421	2,085,992	11,691,812	2,707,084	9,924,799	70,451,935	172,550,399

3. PROPERTY AND EQUIPMENT (continued)

	<i>Lands QR</i>	<i>Buildings QR</i>	<i>Refrigerators and Equipment QR</i>	<i>Motor Vehicles QR</i>	<i>Furniture & Fixtures QR</i>	<i>Computer Equipments QR</i>	<i>Leasehold Improvements QR</i>	<i>Capital work- in-progress QR</i>	<i>Total QR</i>
Cost:									
At 1 January 2010	5,383,975	93,802,410	43,446,995	4,341,330	20,438,959	13,062,959	10,780,982	13,105,701	204,363,311
Additions	-	-	4,071,144	679,600	255,472	1,181,126	121,350	21,154,150	27,462,842
Transfers	-	-	2,734,162	-	1,634,960	655,042	375,788	(5,399,952)	-
Disposals	-	-	(948,555)	-	-	-	-	-	(948,555)
At 31 December 2010	5,383,975	93,802,410	49,303,746	5,020,930	22,329,391	14,899,127	11,278,120	28,859,899	230,877,598
Depreciation:									
At 1 January 2010	-	39,526,294	34,547,123	2,973,546	17,553,060	9,231,876	6,413,730	-	110,245,629
Provided during the year	-	4,654,505	2,828,790	525,128	1,096,009	2,081,703	680,340	-	11,866,475
Relating to disposals	-	-	(948,555)	-	-	-	-	-	(948,555)
At 31 December 2010	-	44,180,799	36,427,358	3,498,674	18,649,069	11,313,579	7,094,070	-	121,163,549
Net book amount									
At 31 December 2010	5,383,975	49,621,611	12,876,388	1,522,256	3,680,322	3,585,548	4,184,050	28,859,899	109,714,049

3. PROPERTY AND EQUIPMENT (continued)

Note:

The depreciation charged has been allocated in the consolidated income statement as follows:

	2011 QR	2010 QR
Cost of sales	129,674	-
Depreciation - line item	14,839,859	11,866,475
	14,969,533	11,866,475

4. INTANGIBLE ASSETS

	2011 QR	2010 QR
Cost:		
At the beginning of the year	2,019,518	-
Additions	125,000	1,403,274
Acquisition of assets	3,408,060	-
Transfers	-	616,244
At the end of the year	5,552,578	2,019,518
Accumulated amortisation:		
At the beginning of the year	980,163	-
Charge for the year	625,994	363,919
Relating to acquisition of assets	2,635,088	-
Relating to transfers	-	616,244
At the end of the year	4,241,245	980,163
Net book value at the end of the year	1,311,333	1,039,355

5. AVAILABLE-FOR-SALE INVESTMENTS

	2011 QR	2010 QR
Quoted equity investments	95,092,095	93,445,806
Unquoted equity investments	14,638,664	14,638,664
Total	109,730,759	108,084,470
Carrying value of available-for-sale investments:		
At cost	103,457,059	98,541,559
Net gain from fair value adjustments	6,273,700	9,542,911
	109,730,759	108,084,470



6. GOODWILL

On 13 July 2011, the Group acquired 100% of the share capital of Qatar Markets Company W.L.L. (inclusive of Al Oumara Bakery Company W.L.L.). The principal business of the subsidiaries is retail trading of various types of consumer goods commodities and operating a bakery.

The provisional values assigned to the identifiable assets and liabilities of Qatar Markets Company W.L.L. (inclusive of Al Oumara Bakery Company W.L.L.) as at the date of acquisition, which will be reviewed within one year of acquisition or finalisation of the Purchase Price Allocation, are shown below:

	2011 QR (Provisional values)
ASSETS	
Property and equipment	14,825,386
Intangible assets	772,972
Inventories	29,074,217
Accounts receivables and prepayments	30,559,068
Cash and cash equivalents	26,173,989
Total assets	101,405,632
LIABILITIES	
Employees end of service benefits	3,973,302
Accounts payable and accruals	66,398,381
Total liabilities	70,371,683
Total identifiable net assets acquired	31,033,949
Goodwill arising on acquisition	237,562,386
Purchase consideration transferred	268,596,335
Cash flow on acquisition	
Cost of acquisition	268,596,335
Less: Cash and cash equivalents in subsidiaries acquired	(26,173,989)
Net cash flow on acquisition	242,422,346

Notes:

(i) The goodwill of QR 237.56 million comprises the value of expected synergies arising from the acquisition.

(ii) Due to the recent date of acquisition, the Group has not yet finalised the Purchase Price Allocation to identify separately the intangible assets and goodwill arising from the acquisition. This will be finalized in due course, within the stipulated timeframe of one year from the date of acquisition.

(iii) The sales and net profit of the acquired businesses contributed QR 208 million and QR 10.3 million respectively, and had the acquisition occurred on 1 January 2011 sales and net profit contributed by the acquired businesses would have been QR 413.5 million and QR 15.6 million respectively, as shown in the table below:

	Al Meera Consumer QR	Qatar Markets QR	Al Oumara QR	Al Meera Holding QR	Total QR
From acquisition date					
Sales	958,231,516	203,119,301	4,918,145	-	1,166,268,962
Net profit (loss)	74,756,812	10,520,206	(212,781)	(7,759,531)	77,304,706
Pre-acquisition					
Sales	-	201,069,141	4,391,024	-	205,460,165
Net profit (loss)	-	5,440,469	(93,718)	-	5,346,751
Full year					
Sales	958,231,516	404,188,442	9,309,169	-	1,371,729,127
Profit (Loss)	74,756,812	15,960,675	(306,499)	(7,759,531)	82,651,457

7. INVENTORIES

	2011 QR	2010 QR
Finished goods	87,929,712	52,447,195
Less: Allowance for slow moving inventories	(226,749)	(226,749)
	87,702,963	52,220,446

There were no movements in the allowance for slow moving inventories during the year (2010: Nil).

8. ACCOUNTS RECEIVABLE AND PREPAYMENTS

	2011 QR	2010 QR
Trade receivables	12,075,798	4,289,641
Credit card receivables	4,676,086	2,344,585
Cash margins	1,819,740	7,421,547
Advances to suppliers	2,074,671	330,000
Prepayments	12,357,370	816,356
Deposits	1,547,017	873,817
Staff receivables	1,074,999	1,941,190
Notes receivables	1,015,070	1,131,010
Accrued interest income	733,976	665,547
Rent receivables	500,192	1,922,380
Other receivables	3,761,739	1,042,966
	41,636,658	22,779,039
Less: Allowance for impairment of receivables	(1,609,221)	(1,456,055)
	40,027,437	21,322,984

At 31 December 2011, trade receivables at nominal value of QR 1,609,221 (2010: QR 1,456,055) were impaired.

Movements in the allowance for impairment of trade receivables were as follows:

	2011 QR	2010 QR
At 1 January	1,456,055	1,602,135
Relating to receivables acquired	52,664	-
Charge for the year	110,902	261,217
Recovery for the year	(10,400)	(407,297)
	1,609,221	1,456,055

At 31 December, the aging of unimpaired trade receivables is as follows:

	Total	Neither past due nor impaired	Past due but not impaired				>120 days
			< 30 days	30 - 60 days	61 - 90 days	91 - 120 days	
2011	12,075,798	3,743,848	1,614,637	1,801,454	1,590,065	2,632,128	693,666
2010	4,289,641	1,089,904	541,964	298,833	184,302	2,174,638	-

Unimpaired trade receivables are expected to be fully recoverable. It is not the practice of the Group to obtain collateral over receivables.

9. CASH AND CASH EQUIVALENTS

	2011 QR	2010 QR
Cash at banks	115,084,455	141,629,039
Cash on hand	1,751,180	536,633
	116,835,635	142,165,672
Time deposits maturing over 90 days	(72,187,821)	(85,042,827)
	44,647,814	57,122,845

10. SHARE CAPITAL

	2011 QR	2010 QR
Authorised, issued and fully paid 10,000,000 ordinary shares of QR 10 each	100,000,000	100,000,000

11. RESERVES

Legal reserve

In accordance with Qatar Commercial Companies Law No. 5 of 2002, 10% of the profit for the year is transferred to a legal reserve. Transfers to this reserve are required to be made until such time as it equals at least 50% of the issued share capital of the Company. No transfer has been made during the year since the reserve exceeds 50% of the share capital. This reserve is not available for distribution except in the circumstances stipulated in Qatar Commercial Companies Law No. 5 of 2002.

Optional reserve

In accordance with Article 22 of the Company's Articles of Association, upon the suggestion of the Board of Directors the General Assembly may decide to deduct a

portion of the net profit for the optional reserve. This optional reserve shall be used in the forms and ways that will be decided by the General Assembly.

12. LOANS AND BORROWINGS

	2011 QR	2010 QR
Loan (i)	244,407,273	-
Loan (ii)	2,167,167	-
	246,574,440	-

Presented in the consolidated statement of financial position as follows

Current portion	2,167,167	-
Non-current portion	244,407,273	-
	246,574,440	-

Notes:

(i) This loan represents a Murabaha facility obtained from a local bank for an amount of QR 245 million. The effective date of drawdown is 13 July 2011. The facility carries a fixed profit rate of 4.95% per annum and is repayable in 24 semi-annual instalments starting on 11 August 2014 with the last instalment due on 11 February 2026. This facility is secured by up to 75% proceeds from the outlets financed by the bank. The above loan is presented net of unamortised financing arrangement costs of QR 592,727 and deferred profit of QR 121.3 million.

(ii) This loan represents a short term loan obtained from a local bank for an amount of QR 22.04 million. The loan is unsecured and carries fixed profit rate of 4.95% per annum.

13. EMPLOYEES' END OF SERVICE BENEFITS

	2011 QR	2010 QR
At 1 January	12,705,949	10,847,241
Provision at acquisition date of subsidiaries (Note 6)	3,973,302	-
Provision during the year	3,342,330	2,546,054
Payment during the year	(1,349,325)	(687,346)
	18,672,256	12,705,949

14. ACCOUNTS PAYABLE AND ACCRUALS

	2011 QR	2010 QR
Trade payables	176,221,718	101,972,736
Dividends payable	21,504,762	49,865,107
Deferred rent income	1,608,566	1,575,145
Staff bonus	6,029,185	4,635,681
Provision for social and sports activities contribution	1,823,641	1,533,919
Provision for air tickets and leave pay	1,757,318	1,612,540
Accrued expenses	12,056,049	2,686,029
Other payables	8,015,747	8,714,494
	229,016,986	172,595,651

15. DIVIDENDS

On 14 March 2011, the Board of Directors has proposed cash dividends of QR 5 per share amounting to QR 50 million for the shareholders for the year ending 2010 (2010: QR 4.5 per share QR 45 million for the shareholders for the year ending 2009).

16. CONTRIBUTION TO SOCIAL FUND

In accordance with Law No. 13 of 2008, the Group made an appropriation of profit of QR 1.82 million (2010: QR 1.53 million) equivalent to 2.5% of the adjusted net profit of the Company and that of its subsidiaries for the year for the support of sports, cultural, social and charitable activities.

In January 2010, a clarification relating to Law No. 13 of 2008 was issued, which requires the amount payable to be recognised as a distribution of income rather than an expense. Accordingly, the amount provided during 2009 and 2010, has been considered as a restatement of the 2009 and 2010 retained earnings in accordance with "IAS 8 – Accounting policies, changes in accounting estimates and errors" (see Note 27 for details).

17. OTHER INCOME

	2011 QR	2010 QR
Dividend income	4,359,053	4,167,960
Gain on sale of available for sale of investments, net	7,075,585	6,642,103
Interest income	2,671,046	4,967,885
Other income	3,968,447	3,717,612
	18,074,131	19,495,560

18. GENERAL AND ADMINISTRATIVE EXPENSES

	2011 QR	2010 QR (Restated)
Staff costs	75,815,159	57,176,744
Rent	13,485,154	6,659,300
Consulting, professional and security fees	5,848,938	5,158,668
Water and electricity	5,776,616	4,872,759
General cleaning charges	4,130,537	4,032,214
Advertisement	3,451,217	1,130,710
Bank charges, commission and credit cards	3,396,904	2,279,146
Board of directors remuneration	3,817,140	2,775,000
Repairs and maintenance	2,882,446	2,011,501
Telephone and post	1,561,554	1,005,984
Vehicles and insurance expenses	1,404,628	975,767
Loss on sale of property and equipment	748,240	-
Printing and stationary	549,927	518,193
Donations	200,444	50,000
Other	3,623,835	2,306,769
	126,692,739	90,952,755

19. BASIC AND DILUTED EARNINGS PER SHARE

Basic earnings per share is calculated by dividing net profit attributable to the equity holders of the parent for the year by weighted average number of shares outstanding during the year.

The following reflects the income and share data used in basic and diluted earnings per share computation:

	2011 QR	2010 QR (Restated)
Profit attributable to the equity holders of the parent for the year	77,304,706	65,524,713
Weighted average number of shares outstanding during the year	10,000,000	10,000,000
Basic and diluted earnings per share (expressed in QR per share)	7.73	6.55

20. COMPONENTS OF OTHER COMPREHENSIVE INCOME

	2011 QR	2010 QR
Available-for-sale investments		
Unrealised (loss)/gain from fair value adjustments	(149,139)	9,210,098
Realised (gain)/loss included in the consolidated income statement	(3,120,072)	124,542
	(3,269,211)	9,334,640

21. CONTINGENCIES AND COMMITMENTS

	2011 QR	2010 QR
Letter of credits	2,202,406	7,167,107
Letter of guarantees	4,574,095	254,441
	6,776,501	7,421,548

The Group's contingent liabilities consists of letter of credits and guarantees relating to purchases of goods associated with the Group's existing contracts with certain suppliers. It is not anticipated that any material liabilities will arise from the letters of credit and guarantees which were issued in the normal course of the business.

The Group leases various staff accommodations and premises under annual cancellable operating lease agreements with terms ranging from 2 to 10 years. For non-cancellable operating leases, future minimum lease commitments are as follows:

	2011 QR	2010 QR
Operating lease commitments		
Within one year	7,440,393	-
After one year, but not more than five years	64,236,748	-
	<u>71,677,141</u>	<u>-</u>

22. RELATED PARTY TRANSACTIONS

Related parties represent associated companies, major shareholders, directors and key management personnel of the Group, and entities controlled, jointly controlled or significantly influenced by such parties. Pricing policies and terms of these transactions are approved by the Group's management.

Related party transactions

Except for advances made to related parties, there were no purchases nor sales of goods or services made with related parties (Nil).

Related party balances

There were no outstanding related party balances as at 31 December 2011 (2010: Nil).

a) Transaction with government

The Government of Qatar holds 26% of the Group'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 various services from

these parties in the State of Qatar.

b) Transactions with key management personnel

The remuneration of directors and other members of key management during the year was as follows:

	2011 QR	2010 QR
Key management remuneration	5,016,352	1,500,525
Board of directors' remuneration	3,817,140	2,775,000
	<u>8,833,492</u>	<u>4,275,525</u>

The increase in key management remuneration represents a full year's remuneration for certain executives who commenced employment towards the end of prior year.

Terms and conditions of transactions with related parties

The sales to and purchases from related parties are made at normal market prices. Outstanding balances for the year ended 31 December 2011 and 2010 are unsecured, interest free and the settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables. For the year ended 31 December 2011, the Group has not recorded any impairment of receivables relating to amounts owed by the related parties (2010: Nil). This assessment is undertaken each financial period through examining the financial position of the related party and the market in which the related party operates.

23. SEGMENT INFORMATION

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 comprise mainly of renting shops in various Malls owned by the Group.

23. SEGMENT INFORMATION (continued)

Management monitors the operating results of 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 consolidated financial statements.

Operating segments

The following table present revenue and profit information regarding the Group's operating segments for the year ended 31 December 2011 and 2010 respectively:

	Retail QR	Investment QR	Leasing QR	Total QR
Year ended 31 December 2011				
Sales	1,166,268,962	-	-	1,166,268,962
Cost of sales	(989,366,738)	-	-	(989,366,738)
Gross profit	176,902,224	-	-	176,902,224
Shops rental income	0	-	30,977,867	30,977,867
Dividend income	0	11,434,638	-	11,434,638
Gain on available for sale investments, net	0	2,671,046	-	2,671,046
Other income	3,968,447	-	-	3,968,447
Operating income	180,870,671	14,105,684	30,977,867	225,954,222
General and administrative expenses	(125,872,425)	-	(820,314)	(126,692,739)
Finance costs	(6,490,924)	-	-	(6,490,924)
Depreciation and amortisation	(14,891,557)	-	(574,296)	(15,465,853)
Profit for the year	33,615,765	14,105,684	29,583,257	77,304,706

	Retail QR	Investment QR	Leasing QR	Total QR
Year ended 31 December 2010 (Restated)				
Sales	914,795,192	-	-	914,795,192
Cost of sales	(792,330,678)	-	-	(792,330,678)
Gross profit	122,464,514	-	-	122,464,514
Shops rental income	-	-	26,747,788	26,747,788
Dividend income	-	4,167,960	-	4,167,960
Gain on available for sale investments, net	-	6,642,103	-	6,642,103
Interest income	-	4,967,886	-	4,967,885
Other income	3,717,611	-	-	3,717,612
Operating income	126,182,125	15,777,949	26,747,788	168,707,862
General and administrative expenses	(90,563,900)	-	(388,855)	(90,952,755)
Depreciation and amortisation	(11,556,331)	-	(674,063)	(12,230,394)
Profit for the year	24,061,894	15,777,949	25,684,870	65,524,713

The following table present segmental assets regarding the Group's business segments for the year ended 31 December 2011 and 31 December 2010 respectively:

	Retail QR	Investment QR	Leasing QR	Total QR
Segment assets:				
At 31 December 2011	629,036,672	126,947,332	9,736,908	765,720,912
At 31 December 2010	301,395,128	108,809,884	24,341,964	434,546,976

24. FINANCIAL RISK MANAGEMENT

Objective and policies

The Group's principal financial liabilities comprise accounts payable and accruals, and loans and borrowings. The main purpose of these financial liabilities is to raise finance for the Group's operations. The Group has various financial assets such as available for sale investments, cash and bank balances, which arise directly from its operations.

The main risks arising from the Group's financial instruments are market risk, credit risk and liquidity risk. The management reviews and agrees policies for managing each of these risks, which are summarized below.

Market risk

Market risk is the risk that changes in market prices, such as interest rates, foreign currency exchange rates and equity prices will affect the Group's income or value of its holding of financial instruments. The objective of market risk management is to manage and control the market risk exposure within acceptable parameters, while optimizing return.

Interest rate risk

The Group is exposed to interest rate risk on its floating rate interest-bearing assets (bank deposits). The following table demonstrates the sensitivity of the consolidated income statement to reasonably possible changes in interest rates, with all other variables held constant. The sensitivity of the consolidated income statement is the effect of the assumed changes in interest rates on the Group's profit for the year, based on the floating rate financial instruments held at 31 December 2011 and 2010. The effect of decreases in interest rates is expected to be equal and opposite to the effect of the increases shown.

	<i>Increase in basis points</i>	<i>Effect on profit QR</i>
2011	+25	287,711
2010	+25	354,073

There is no impact on the Group's equity.

Equity price risk

The following table demonstrates the sensitivity of the effect of cumulative changes in fair values recognised in the equity to reasonably possible changes in equity prices, with all other variables held constant. The effect of decreases in equity prices is expected to be equal and opposite to the effect of the increases shown.

	<i>Changes in equity prices</i>	<i>Effect on equity QR</i>
2011		
Available-for-sale investments	+5	4,754,605
2010		
Available-for-sale investments	+5	4,672,290

The Group also has unquoted investments carried at cost where the impact of changes in equity prices will only be reflected when the investment is sold or deemed to be impaired, when the statement of comprehensive income will be impacted.

Currency risk

Currency risk is the risk that the value of financial instruments will fluctuate due to changes in foreign exchange rates. As the Qatari Riyal is pegged to the US Dollar, balances in US Dollars are not considered to represent significant currency risk. The Group is not exposed to significant currency risk, in light of minimal balances in foreign currencies other than US Dollars.

Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Group is exposed to credit risk on its bank balances and certain assets as reflected in the consolidated statement of financial position.

The Group seeks to limit its credit risk with respect to banks by only dealing with reputable banks and with respect to customers by setting credit limits and monitoring outstanding receivables.

Credit risk (continued)

With respect to credit risk arising from the financial assets of the Group, including receivables and bank balances, the Group's exposure to credit risk arises from default of the counterparty, with a maximum exposure equal to the carrying amount of these assets in the consolidated statement of financial position.

The table below shows the maximum gross exposure to credit risk for the components of the consolidated statement of financial position.

	2011 QR	2010 QR
Bank balances	115,084,455	141,629,039
Trade and other receivables	25,657,600	20,758,866
	<u>140,742,055</u>	<u>162,387,905</u>

Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's approach to managing liquidity risk is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the its reputation.

The table below summarises the maturities of the Group's undiscounted financial liabilities at 31 December, based on contractual payment dates and current market interest rates.

2011	On demand QR	Less than 1year QR	1 - 3 years QR	3 - 5 years QR	Total QR
Trade payables	-	176,221,718	-	-	176,221,718
Dividends payable	21,504,762	-	-	-	21,504,762
Other payables and accruals	-	21,895,437	-	-	21,895,437
Loans and borrowings	-	2,686,178	76,320,478	290,017,816	369,024,472
Total	<u>21,504,762</u>	<u>200,803,333</u>	<u>76,320,478</u>	<u>290,017,816</u>	<u>588,646,389</u>

2010	On demand QR	Less than 1year QR	1 - 3 years QR	3 - 5 years QR	Total QR
Trade payables	-	101,972,736	-	-	101,972,736
Dividends payable	49,865,107	-	-	-	49,865,107
Other payables and accruals	-	12,934,442	-	-	12,934,442
Total	<u>49,865,107</u>	<u>114,907,178</u>	<u>-</u>	<u>-</u>	<u>164,772,285</u>

Capital management

The Group manages its capital structure and makes adjustments to it, in light of changes in business conditions and shareholders' expectation. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders or issue new shares. No changes were made in the objectives, policies or processes during the years ended 31 December 2011 and 2010. Capital comprises share capital and retained earnings, and is measured at QR 189,922,728 at 31 December 2011 (2010: QR 164,441,663).

25. FAIR VALUES OF FINANCIAL INSTRUMENTS

Financial instruments comprise financial assets and financial liabilities.

Financial assets consist of cash and cash equivalents, available-for-sale investments, and trade and other receivables. Financial liabilities consist of Loans and borrowings and trade and other payables.

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 31 December 2011, the Group held the following financial instruments measured at fair value:

	31 December 2011 QR	Level 1 QR	Level 2 QR	Level 3 QR
Available-for-sale investments				
- Listed equity shares	95,092,095	95,092,095	-	-
	31 December 2010 QR	Level 1 QR	Level 2 QR	Level 3 QR
Available-for-sale investments				
- Listed equity shares	93,445,806	93,445,806	-	-

During the year ending 31 December 2011, 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.

26. SIGNIFICANT ASSUMPTIONS, ESTIMATES AND JUDGMENTS

The preparation of the Group's financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and certain disclosures at the end of the reporting period. However, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods. In the process of applying the Group's accounting policies, management has made the following judgments, estimates and assumptions, which have the most significant effect on the amounts recognised in the financial statements:

Impairment of receivables

An estimate of the collectible amount of receivables is made when collection of the full amount is no longer probable. For individually significant amounts, this estimation is performed on an individual basis. Amounts which are not individually significant, but which are past due, are assessed collectively and an allowance applied according to the length of time past due.

At the end of the reporting period, gross amounts of trade receivables was QR 12,075,798 (2010: QR 4,289,641) and the allowance for impairment of receivables was QR 1,609,221 (2010: QR 1,456,055). Any difference between the amounts actually collected in future periods and the amounts expected will be recognised in the consolidated income statement.

Impairment of inventories

Inventories are held at the lower of cost and net realisable value. When inventories become old or obsolete, an estimate is made of their net realisable value. For individually significant amounts this estimation is performed on an individual basis. Amounts which are not individually significant, but which are old or obsolete, are assessed collectively and a provision applied according to the inventory type and the degree of ageing or obsolescence, based on historical realisable value.

Impairment of inventories (continued)

At the reporting date, gross inventories were QR 87,929,712 (2010: QR 52,447,195), with provisions for old and obsolete inventories of QR 226,749 (2010: 226,749). Any difference between the amounts actually realised in future periods and the amounts expected will be recognised in the consolidated income statement.

Useful lives of furniture and equipment

The Group's management determines the estimated useful lives of its furniture and equipment for calculating depreciation. This estimate is determined after considering the expected usage of the asset and physical wear and tear. Management reviews the residual value and useful lives annually and future depreciation charge would be adjusted where the management believes the useful lives differ from previous estimates.

Going concern

The Group's management has made an assessment of the Group's ability to continue as a going concern and is satisfied that the Group has the resources to continue in business for the foreseeable future. Furthermore, the management is not aware of any material uncertainties that may cast significant doubt upon the Group's ability to continue as a going concern. Therefore, the financial statements continue to be prepared on a going concern basis.

27. PRIOR PERIOD ADJUSTMENTS

As per Law No. 13 of 2008 with respect to the contribution to Social and Sports Development Fund of Qatar, the Company contributed QR 1.53 million in 2010 (2009: QR 1.26 million) representing 2.5% of the Company's net profit to the above fund.

The contribution to Social and Sports Development Fund of Qatar, representing 2.5% of the Company's net profit for the years ended 2009 and 2010, was charged to the income statement. Pursuant to further clarification of the law in 2010, the contribution was treated as an appropriation of retained earnings and accordingly the comparative amounts have been restated to reflect this clarification. This has resulted in an increase in the previously reported net profits by QR 1.26 million and QR 1.53 million in 2009 and 2010 respectively.

The effect of this prior period adjustment is presented as follows:

	2010 QR Increase (decrease)	2009 QR Increase Increase
<i>Impact on previously reported profit:</i>		
Adjustment related to contribution to social fund	1,533,919	1,265,779
<i>Impact on retained earnings:</i>		
Appropriation for contribution to social fund	(1,533,919)	(1,265,779)
Net impact on retained earnings	-	-

The above adjustment did not have any impact on the previously reported equity of the Group.

28. COMPARATIVES

Certain accounts in 2010 financial statements have been reclassified to conform to the 2011 presentation. The changes have been made to improve the quality of information presented and do not affect the previously reported profit or equity of the Group.



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