AL MEERA CONSUMER GOODS COMPANY Q.S.C.
DOHA - QATAR

CONSOLIDATED FINANCIAL STATEMENTS
AND INDEPENDENT AUDITOR'S REPORT
FOR THE YEAR ENDED
DECEMBER 31, 2014

AL MEERA CONSUMER GOODS COMPANY Q.S.C.

CONSOLIDATED FINANCIAL STATEMENTS AND INDEPENDENT AUDITOR'S REPORT

For the year ended December 31, 2014

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INDEPENDENT AUDITOR'S REPORT

THE SHAREHOLDERS
AL MEERA CONSUMER GOODS COMPANY Q.S.C.

Report on the consolidated 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 referred to as the "Group"), which comprise the consolidated statement of financial position as at December 31, 2014 and the consolidated statements of profit or loss, profit or loss and other comprehensive income, changes in equity and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's responsibility for the consolidated financial statements

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

Auditor's 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 whether the 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 auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Group'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 Group'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.

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

Opinion

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of Al Meera Consumer Goods Company Q.S.C. and its subsidiaries as at December 31, 2014 and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards.

Other legal and regulatory requirements

We are also of the opinion that proper books of account were maintained by the Company, physical inventory verification has been duly carried out and the contents of the directors' report are in agreement with the Group's consolidated financial statements. We have obtained all the information and explanations which we considered necessary for the purpose of our audit. To the best of our knowledge and belief and according to the information given to us, no contraventions of the applicable provisions of Qatar Commercial Companies Law No. 5 of 2002 and the Company's Articles of Association were committed during the year which would materially affect the Company's activities or its financial position.

Doha – Qatar
March 1, 2015

For **Deloitte & Touche**
Qatar Branch

Midhat Salha
Partner
License No. 257

AL MEERA CONSUMER GOODS COMPANY Q.S.C.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at December 31, 2014

	Notes	2014 QR	2013 QR
ASSETS			
Non-current assets			
Property and equipment	5	**588,020,015**	284,324,943
Intangible assets	6	**10,240,782**	11,804,398
Available for sale investments	7	**210,304,302**	148,276,661
Investment in an associate	8	**98,497**	--
Deferred tax assets	18	**421,429**	490,162
Goodwill	9	**344,097,998**	344,097,998
Total non-current assets		**1,153,183,023**	788,994,162
Current assets			
Inventories	10	**171,829,639**	148,548,895
Accounts receivable and prepayments	11	**41,925,435**	47,929,842
Due from a related party	27	**6,869**	--
Cash and bank balances	12	**623,972,031**	809,863,801
Total current assets		**837,733,974**	1,006,342,538
Total assets		**1,990,916,997**	1,795,336,700
EQUITY AND LIABILITIES			
Equity			
Share capital	13	**200,000,000**	200,000,000
Legal reserve	14	**901,289,603**	901,289,603
Optional reserve	14	**21,750,835**	21,750,835
Fair value reserve		**(13,918,815)**	6,609,740
Retained earnings		**295,654,041**	234,535,493
Equity attributable to the owners of the Company		**1,404,775,664**	1,364,185,671
Non-controlling interests		**39,920,960**	39,785,118
Total equity		**1,444,696,624**	1,403,970,789
Non-current liabilities			
Loans and borrowings	15	**88,279,923**	--
Employees' end of service benefits	16	**23,384,170**	21,095,034
Total non-current liabilities		**111,664,093**	21,095,034
Current liabilities			
Accounts payable and accruals	17	**434,556,280**	370,270,877
Total current liabilities		**434,556,280**	370,270,877
Total liabilities		**546,220,373**	391,365,911
Total equity and liabilities		**1,990,916,997**	1,795,336,700

Dr. Saif Saeed Al-Sowaidi
Vice Chairman

Mohammed Ibrahim Al Sulaiti
Board Member

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE CONSOLIDATED FINANCIAL STATEMENTS

AL MEERA CONSUMER GOODS COMPANY Q.S.C.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the year ended December 31, 2014

	Notes	2014	2013
		QR	QR
Sales		2,176,005,608	1,945,952,216
Cost of sales		(1,814,928,236)	(1,626,436,774)
Gross profit		361,077,372	319,515,442
Shops rental income		42,761,250	36,584,593
Other income	21	81,067,092	26,065,893
Operating income		484,905,714	382,165,928
General and administrative expenses	22	(232,025,399)	(220,401,189)
Depreciation	5	(23,150,075)	(32,627,390)
Amortisation of intangible assets	6	(1,514,990)	(1,733,251)
Share in net loss of an associate		(3,503)	--
Finance costs		(1,422,733)	(3,690,470)
Profit before expropriation of land and building		226,789,014	123,713,628
Gain on expropriation of land and building	5	--	71,417,621
Profit before income tax		226,789,014	195,131,249
Income tax (expense)/credit	18	(68,733)	490,162
Profit for the year		226,720,281	195,621,411
Attributable to :			
Owners of the Company		226,584,439	196,123,109
Non-controlling interests		135,842	(501,698)
		226,720,281	195,621,411
Basic and diluted earnings per share (EPS)			
Basic EPS attributable to equity holders of the Company	23	11.33	10.27

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE CONSOLIDATED FINANCIAL STATEMENTS

AL MEERA CONSUMER GOODS COMPANY Q.S.C.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended December 31, 2014

	Share capital	Share capital premium	Legal reserve	Optional reserve	Fair value reserve	Retained earnings	Total equity attributable to the owners of the Company	Non-controlling interests	Total
	QR	QR	QR	QR	QR	QR	QR	QR	QR
Balance at January 1, 2013	100,000,000	--	53,509,967	21,750,835	4,504,437	123,181,999	302,947,238	2,286,605	305,233,843
Issue of share capital	100,000,000	847,779,636	--	--	--	--	947,779,636	--	947,779,636
Total comprehensive income for the year	--	--	--	--	2,105,303	196,123,109	198,228,412	(501,698)	197,726,714
Appropriation for contribution to social fund (Note 20)	--	--	--	--	--	(4,769,615)	(4,769,615)	--	(4,769,615)
Non-controlling interests arising from investments in subsidiaries	--	--	--	--	--	--	--	38,000,211	38,000,211
Transfer to legal reserve	--	(847,779,636)	847,779,636	--	--	--	--	--	--
Dividends declared (Note 19)	--	--	--	--	--	(80,000,000)	(80,000,000)	--	(80,000,000)
Balance at December 31, 2013	200,000,000	--	901,289,603	21,750,835	6,609,740	234,535,493	1,364,185,671	39,785,118	1,403,970,789
Total comprehensive income for the year	--	--	--	--	(20,528,555)	226,584,439	206,055,884	135,842	206,191,726
Appropriation for contribution to social fund (Note 20)	--	--	--	--	--	(5,465,891)	(5,465,891)	--	(5,465,891)
Dividends declared (Note 19)	--	--	--	--	--	(160,000,000)	(160,000,000)	--	(160,000,000)
Balance at December 31, 2014	**200,000,000**	--	**901,289,603**	**21,750,835**	**(13,918,815)**	**295,654,041**	**1,404,775,664**	**39,920,960**	**1,444,696,624**

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE CONSOLIDATED FINANCIAL STATEMENTS

AL MEERA CONSUMER GOODS COMPANY Q.S.C.

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended December 31, 2014

	2014	2013
	QR	QR
OPERATING ACTIVITIES		
Profit before income tax	226,789,014	195,131,249
Adjustments for:		
Depreciation	23,285,351	32,865,935
Amortisation of intangibles	1,514,990	1,733,251
Interest income	(9,284,896)	(7,274,115)
Gain on sale of available for sale of investments, net	(61,051,635)	(14,881,237)
Provision for doubtful debts, net	181,777	184,376
Provision employees' end of service benefits	4,865,612	4,877,741
Provision for impairment of unquoted investment	450,000	--
Provision for shrinkage and slow moving inventories	490,241	958,323
Share in net loss of an associate	3,503	--
Net gain on disposal of property and equipment	(199,005)	(65,624,883)
Dividend income	(7,948,796)	(5,338,503)
Finance cost	1,422,733	3,690,470
	180,518,889	146,322,607
Working capital changes:		
Accounts receivable and prepayments	6,962,548	(8,868,664)
Inventories	(23,770,985)	(18,077,363)
Due from a related party	(6,869)	--
Accounts payable and accruals	53,333,806	24,020,410
Cash from operations	217,037,389	143,396,990
Payment of employees' end of service benefits	(2,576,476)	(1,680,504)
Payment of contribution to social fund	(4,769,615)	(4,320,225)
Net cash generated by operating activities	209,691,298	137,396,261
INVESTING ACTIVITIES		
Acquisition of investment in an associate	(102,000)	--
Acquisition of business net of cash acquired	--	(116,786,292)
Purchase of available-for-sale investments	(688,022,139)	(218,403,566)
Proceeds from sale of available-for-sale investments	666,067,578	212,939,355
Purchase of property and equipment	(327,162,060)	(89,974,836)
Proceeds from disposal of property and equipment	429,267	73,705,576
Purchase of intangible assets	--	(1,235,748)
Net movement in deposits maturing after 90 days	173,017,699	(556,409,910)
Dividends received	7,948,796	5,338,503
Interest received	8,144,977	4,522,229
Net cash used in investing activities	(159,677,882)	(686,304,689)

AL MEERA CONSUMER GOODS COMPANY Q.S.C.

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended December 31, 2014

	Note	2014	2013
		QR	QR
FINANCING ACTIVITIES			
Proceeds from loans and borrowings		88,279,923	--
Repayments of loans and borrowings		--	(408,498,236)
Proceeds from rights issued		--	947,779,636
Dividends paid		(149,744,677)	(69,670,710)
Interest paid		(1,422,733)	(3,690,470)
Non-controlling interest arising from investments in subsidiaries		--	38,000,211
Net cash (used in)/generated by financing activities		(62,887,487)	503,920,431
Decrease in cash and cash equivalents		(12,874,071)	(44,987,997)
Cash and cash equivalents at the beginning of the year		208,530,102	253,518,099
Cash and cash equivalents at the end of the year	12	195,656,031	208,530,102

1. INCORPORATION AND ACTIVITIES

On July 13, 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, Al-Meera Consumer Goods Company (the "Company"), which is governed by the Qatar Commercial Companies Law No. 5 of 2002. The Company was registered under Article 68 of Commercial Companies Law with commercial registration number 29969 on March 2, 2005. The Company's registered office address is at P.O. Box 3371 Doha, State of Qatar.

On October 8, 2012, the shareholders approved the increase in share capital to 20,000,000 shares with nominal value of QR. 10 per share. The 10,000,000 shares were issued at QR. 95 per share and subscription was closed on February 10, 2013.

The Company and its subsidiaries (together "the Group") are mainly involved in wholesale and retail trading of various types of consumer goods commodities, owning and managing consumer outlets, and trading in 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 Group's subsidiaries and associates are as follows:

Entity Name	Country of incorporation	Relationship	Ultimate ownership interest 2014	2013
Al Meera Holding Company L.L.C.	Qatar	Subsidiary	100%	100%
Al Meera Supermarkets Company S.P.C.	Qatar	Subsidiary	100%	100%
Al Meera Development Company L.L.C.	Qatar	Subsidiary	100%	100%
Qatar Markets Company W.L.L.	Qatar	Subsidiary	100%	100%
Al Oumara Bakeries Company W.L.L.	Qatar	Subsidiary	100%	100%
Alge Retail Corporation Sarl	Switzerland	Subsidiary	51%	51%
Al Meera Oman S.A.O.C	Oman	Subsidiary	70%	70%
Al Meera Markets S.A.O.C	Oman	Subsidiary	70%	70%
Al Meera Bookstore S.P.C	Qatar	Subsidiary	100%	100%
Aramex Logistics Services L.L.C.	Qatar	Associate	51%	--

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

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

1. INCORPORATION AND ACTIVITIES (CONTINUED)

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

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

Al Oumara Bakeries Company W.L.L. ("Al Oumara Bakeries") is a limited liability company, incorporated in the State of Qatar. The Company is engaged in manufacture and sale of bakery products.

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

Al Meera Oman S.A.O.C ("Al Meera Oman") is a limited liability company incorporated in Sultanate of Oman. The Company is engaged in the construction and management of shopping centers and related facilities. As at the reporting date, this company has not commenced its operations. The financial information of the subsidiary is disclosed in Note 28.

Al Meera Markets S.A.O.C ("Al Meera Market") is a limited liability company incorporated in Sultanate of Oman. The Company is engaged in the establishment and operation of shopping centers, supermarkets, and hypermarkets. The financial information of the subsidiary is disclosed in Note 28.

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

Aramex Logistics Services L.L.C. is a limited liability company incorporated in State of Qatar. The Company is engaged in the warehousing and delivery truck services.

These consolidated financial statements of the Group for the year ended December 31, 2014 were authorized for issue by the Chairman and Vice Chairman on March 1, 2015.

2. APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRSs)

2.1 New and revised IFRSs applied with no material effect on the consolidated financial statements

The following new and revised IFRSs, which became effective for annual periods beginning on or after January 1, 2014, have been adopted in these standalone financial statements. The application of these revised and new IFRSs has not had any material impact on the amounts reported for the current and prior years but may affect the accounting for future transactions or arrangements.

2. APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRSs) (CONTINUED)

2.1 New and revised IFRSs applied with no material effect on the standalone financial statements (continued)

- Amendments to IAS 32 Financial Instruments: Presentation relating to application guidance on the offsetting of financial assets and financial liabilities.

- Amendments to IAS 36 recoverable amount disclosures:
  The amendments restrict the requirements to disclose the recoverable amount of an asset or CGU to the period in which an impairment loss has been recognised or reversed. They also expand and clarify the disclosure requirements applicable when an asset or CGU's recoverable amount has been determined on the basis of fair value less costs of disposal.

- Amendments to IAS 39 Financial Instruments: Recognition and Measurement, Novation of Derivatives and Continuation of Hedge Accounting
  The amendment allows the continuation of hedge accounting when a derivative is novated to a clearing counterparty and certain conditions are met.

- Amendments to IFRS 10, IFRS 12 and IAS 27 – Guidance on Investment Entities
  On October 31, 2012, the IASB published a standard on investment entities, which amends IFRS 10, IFRS 12, and IAS 27 and introduces the concept of an investment entity in IFRSs.

2.2 New and revised IFRSs in issue but not yet effective and not early adopted

The Group has not early applied the following new standards, amendments and interpretations that have been issued but are not yet effective:

New and revised IFRSs	Effective for annual periods beginning on or after
• Amendments to IFRS 7 *Financial Instruments*: Disclosures relating to disclosures about the initial application of IFRS 9.	When IFRS 9 is first applied
• IFRS 7 *Financial Instruments*: Additional hedge accounting disclosures (and consequential amendments) resulting from the introduction of the hedge accounting chapter in IFRS 9.	When IFRS 9 is first applied

2. APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRSs) (CONTINUED)

2.2 New and revised IFRSs in issue but not yet effective and not early adopted (continued)

New and revised IFRSs	Effective for annual periods beginning on or after
• IFRS 9 Financial Instruments (2009) issued in November 2009 introduces new requirements for the classification and measurement of financial assets. IFRS 9 Financial Instruments (2010) revised in October 2010 includes the requirements for the classification and measurement of financial liabilities, and carrying over the existing derecognition requirements from IAS 39 Financial Instruments: Recognition and Measurement.	January 1, 2018

IFRS 9 Financial Instruments (2013) was revised in November 2013 to incorporate a hedge accounting chapter and permit the early application of the requirements for presenting in other comprehensive income the own credit gains or losses on financial liabilities designated under the fair value option without early applying the other requirements of IFRS 9.

Finalised version of IFRS 9 (IFRS 9 Financial Instruments (2014)) was issued in July 2014 incorporating requirements for classification and measurement, impairment, general hedge accounting and derecognition.

IFRS 9 (2009) and IFRS 9 (2010) were superseded by IFRS 9 (2013) and IFRS 9 (2010) also superseded IFRS 9 (2009). IFRS 9 (2014) supersedes all previous versions of the standard. The various standards also permit various transitional options. Accordingly, entities can effectively choose which parts of IFRS 9 they apply, meaning they can choose to apply: (1) the classification and measurement requirements for financial assets: (2) the classification and measurement requirements for both financial assets and financial liabilities: (3) the classification and measurement requirements and the hedge accounting requirements provided that the relevant date of the initial application is before February 1, 2015.

2. APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRSs) (CONTINUED)

2.2 New and revised IFRSs in issue but not yet effective and not early adopted (continued)

New and revised IFRSs (continued)	**Effective for annual periods beginning on or after**
• IFRS 15 Revenue from Contracts with Customers	January 1, 2017

In May 2014, IFRS 15 was issued which established a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers. IFRS 15 will supersede the current revenue recognition guidance including IAS 18 Revenue, IAS 11 Construction Contracts and the related interpretations when it becomes effective.

The core principle of IFRS 15 is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Specifically, the standard introduces a 5-step approach to revenue recognition:

- Step 1: Identify the contract(s) with a customer.
- Step 2: Identify the performance obligations in the contract.
- Step 3: Determine the transaction price.
- Step 4: Allocate the transaction price to the performance obligations in the contract.
- Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation.

Under IFRS 15, an entity recognises when (or as) a performance obligation is satisfied, i.e. when 'control' of the goods or services underlying the particular performance obligation is transferred to the customer. Far more prescriptive guidance has been added in IFRS 15 to deal with specific scenarios. Furthermore, extensive disclosures are required by IFRS 15.

• Annual Improvements to IFRSs 2012 - 2014 Cycle that include amendments to IFRS 5, IFRS 7, IAS 19 and IAS 34.	July 1, 2016
• Amendments to IAS 16 and IAS 38 to clarify the acceptable methods of depreciation and amortization.	January 1, 2016
• Amendments to IFRS 11 to clarify accounting for acquisitions of Interests in Joint Operations.	January 1, 2016
• Amendments to IAS 16 and IAS 41 require biological assets that meet the definition of a bearer plant to be accounted for as property, plant and equipment in accordance with IAS 16.	January 1, 2016

2. APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRSs) (CONTINUED)

2.2 New and revised IFRSs in issue but not yet effective and not early adopted (continued)

New and revised IFRSs	Effective for annual periods beginning on or after
• Amendments to IFRS 10 and IAS 28 clarify that the recognition of the gain or loss on the sale or contribution of assets between an investor and its associate or joint venture depends on whether the assets sold or contributed constitute a business.	January 1, 2016
• Amendments to IAS 27 allow an entity to account for investments in subsidiaries, joint ventures and associates either at cost, in accordance with IAS 39/IFRS 9 or using the equity method in an entity's separate financial statements.	January 1, 2016
• Amendments to IFRS 10, IFRS 12 and IAS 28 clarifying certain aspects of applying the consolidation exception for investment entities.	January 1, 2016
• Amendments to IAS 1 to address perceived impediments to preparers exercising their judgment in presenting their financial reports.	January 1, 2016
• Annual Improvements to IFRSs 2010 - 2012 Cycle that includes amendments to IFRS 2, IFRS 3, IFRS 8, IFRS 13, IAS 16, IAS 38 and IAS 24.	July 1, 2014
• Annual Improvements to IFRSs 2011 - 2013 Cycle that includes amendments to IFRS 1, IFRS 3, IFRS 13 and IAS 40.	July 1, 2014
• Amendments to IAS 19 Employee Benefits clarify the requirements that relate to how contributions from employees or third parties that are linked to service should be attributed to periods of service.	July 1, 2014

Management anticipates that IFRS 15 and IFRS 9 will be adopted in the standalone financial statements for the annual period beginning January 1, 2017 and January 1, 2018 respectively. The application of IFRS 15 and IFRS 9 may have significant impact on amounts reported and disclosures made in the standalone financial statements in respect of revenue from contracts with customers and the Group's financial assets and financial liabilities. However, it is not practicable to provide a reasonable estimate of effects of the application of these standards until the Group performs a detailed review.

3. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES

Statement of compliance

The financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") and applicable provisions of Qatar Commercial Companies Law.

Basis of preparation

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

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique.

For financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:
(i) Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
(ii)Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
(iii)Level 3 inputs are unobservable inputs for the asset or liability.

The principal accounting policies are set out below.

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company. Control is achieved where the Company:

- has power over the investee
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns

Income and expenses of subsidiaries acquired or disposed of during the year are included in the consolidated statement of profit or loss from the effective date of the acquisition and up to the effective date of disposal.

Wherever necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by other members of the Group.

All inter group transactions, balances, income and expenses are eliminated in full on consolidation.

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 profit or loss, consolidated statement of profit or loss and other comprehensive income and within equity in the consolidated statement of financial position separately from the equity attributable to the owners of the Company.

3. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 consolidated statement of profit or loss on a straight-line basis over the term of the lease.

Dividend and interest income
Dividend income from investments is recognised when the Group's right to receive payment has been established. Interest income is accrued on a time basis with reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

Foreign currency translation

Functional and presentation currency
Items included in the consolidated financial statements of the Group are measured using the currency of the primary economic environment in which the Group operates ("the functional currency"). The consolidated financial statements are presented in 'Qatari Riyals' ('QR'), which is the Group's functional and presentation currency.

Transactions and balances
Transactions in foreign currencies are initially recorded by the Group at their respective functional currency spot rates at the date the transaction first qualifies for recognition.

Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency spot rate of exchange at the reporting date. All differences arising on settlement or translation of monetary items are taken to the consolidated statement of profit or loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined.

3. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

The remaining borrowing costs are recognised in the consolidated statement of profit or loss in the period in which they are incurred.

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 consolidated statement of profit or loss on a straight-line basis over the period of the lease.

Property and equipment

Property and equipment is stated at historical cost less depreciation and any accumulated impairment losses. 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 consolidated statement of profit or loss 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	3%
Refrigerators and equipment	10%
Motor vehicles	20%
Furniture and fixtures	20%
Computer equipment	20% - 33%
Leasehold improvements	10% - 33%

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 consolidated statement of profit or loss.

3. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Property and equipment (continued)

Lands donated by Government are recorded at nominal amounts estimated by management.

Properties in the course of construction for rental or administrative purposes, or for purposes not yet determined, are carried at cost, less any recognised impairment loss. Cost includes professional fees and, for qualifying assets, borrowing costs capitalised in accordance with the Group's accounting policy. Depreciation of these assets, on the same basis as other property, plant and equipment, commences when the assets are ready for their intended use.

Intangible assets

Intangible assets other than goodwill are recognized at cost and carried at cost less accumulated amortization. The amortization is calculated using the straight-line method to allocate the cost over the estimated useful life of 5 years. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses.

Business combination 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 asset given, liabilities incurred or assumed, and equity instruments issued by the Group in exchange for control of acquiree. 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 is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed. If, after reassessment, the net of the acquisition-date amounts of the identifiable assets acquired and liabilities assumed exceeds the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the acquirer's previously held interest in the acquiree (if any), the excess is recognised immediately in profit or loss as a bargain purchase gain.

Impairment of goodwill

Goodwill arising on an acquisition of a business is carried at cost as established at the date of acquisition of the business less accumulated impairment losses, if any. For the purposes of impairment testing, goodwill is allocated to each of the Group's cash-generating units (or groups of cash-generating units) that is expected to benefit from the synergies of the combination. A cash-generating unit to which goodwill has been allocated is tested for impairment annually or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised directly in consolidated statement of profit or loss.

3. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Impairment of goodwill (continued)

An impairment loss recognised for goodwill is not reversed in subsequent periods. On disposal of the relevant cash-generating unit, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

Impairment of tangible and intangible assets other than goodwill

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).

Investments in associates

An associate is an entity over which the Group has significant influence and that is neither a subsidiary nor an interest in a joint venture. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

The results and assets and liabilities of associates are incorporated in these financial statements using the equity method of accounting, except when the investment, or a portion thereof, is classified as held for sale, in which case it is accounted for in accordance with IFRS 5. Under the equity method, an investment in an associate is initially recognised in the statement of financial position at cost and adjusted thereafter to recognise the Group's share of the profit or loss and other comprehensive income of the associate or joint venture. When the Group's share of losses of an associate exceeds the Group's interest in that associate (which includes any long-term interests that, in substance, form part of the Group's net investment in the associate), the Group discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate.

Inventories

Inventories are stated at the lower of cost and net realizable value. Cost comprises the purchase price, import duties, transportation handling and other direct costs incurred in bringing the inventories to their present location and condition. 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.

3. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial assets

All financial assets are recognised and derecognised on trade date where the purchase or sale of a financial asset is under a contract whose terms require delivery of the financial asset within the timeframe established by the market concerned, and are initially measured at fair value, plus transaction costs, except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value.

Financial assets are classified into the following specified categories: financial assets at fair value through profit or loss ("FVTPL"), available-for-sale investments, held to maturity investments and loans and receivables. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition.

Effective interest rate method
The effective interest method is a method of calculating the amortised cost of a financial asset and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset or where appropriate, a shorter period to the net carrying amount on initial recognition.

Financial assets at fair value through profit or loss (FVTPL)
Financial assets are classified as at FVTPL where the financial asset is either held for trading or is designated as at FVTPL.

A financial asset is classified as held for trading if:
(i) it has been acquired principally for the purpose of selling in the near future;
(ii) on initial recognition it is a part of an identified portfolio of financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking; or
(iii) it is a derivative that is not designated and effective as a hedging instrument.

A financial asset other than a financial asset held for trading may be designated as at FVTPL upon initial recognition if:

(i) such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise;
(ii) the financial asset forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Group's documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or
(iii) it forms part of a contract containing one or more embedded derivatives, and IAS 39 Financial Instruments: Recognition and Measurement permits the entire combined contract (asset or liability) to be designated as at FVTPL.

Held-to-maturity investments
Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturity dates that the Group has the positive intent and ability to hold to maturity. Subsequent to initial recognition, held-to-maturity investments are measured at amortised cost using the effective interest method less any impairment.

3. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial asset (continued)

Available for sale (AFS) investments
AFS investments are non-derivative financial assets that are either designated as AFS or are not classified as (a) loans and receivables, (b) held-to-maturity investments or (c) financial assets at fair value through profit or loss.

Listed securities held by the Group that are traded in an active market are classified as AFS and are stated at fair value at the end of each reporting period. The Group also has investments in unlisted shares that are not traded in an active market but that are also classified as AFS financial assets and stated at cost because the management considers that fair value cannot be reliably measured. Gains and losses arising from changes in fair value are recognised directly in equity in the fair value reserve, with the exception of impairment losses, interest calculated using the effective interest method and foreign exchange gains and losses on monetary assets, which are recognised directly in the consolidated statement of profit or loss. Where the investment is disposed of or is determined to be impaired, the cumulative gain or loss previously recognised in the fair value reserve is taken to the consolidated statement of profit or loss.

Dividends on AFS equity instruments are recognised in the consolidated statement of profit or loss when the Group's right to receive the dividends is established.

Loans and advances
Loans and advances are non-derivative financial assets with fixed or determinable payments and fixed maturities that are not quoted in an active market. After initial measurement, loans and advances are subsequently measured at amortised cost using the effective interest rate method, less any impairment.

Interest income is recognised by applying the effective interest rate, except for short-term receivables when the effect of discounting is immaterial. The amortisation is included in 'interest income' in the consolidated statement of profit or loss. The losses arising from impairment are recognised in the consolidated statement of profit or loss.

Cash and cash equivalents
Cash and cash equivalents consist of cash on hand, bank balances and short term deposits with an original maturity of three months or less

Trade receivables
Accounts receivable are stated at original invoice amount, less any impairment for doubtful debts. An estimate for doubtful debts is made when collection of the full amount is no longer probable. Bad debts are written off as incurred.

3. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial asset (continued)

Impairment of financial assets
Financial assets, other than those at FVTPL, are assessed for indicators of impairment at each reporting date. Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been affected.

For AFS equity investments, a significant or prolonged decline in the fair value of the security below its cost is considered to be objective evidence of impairment.

For other financial assets, objective evidence of impairment could include:
(i) significant financial difficulty of the issuer or counterparty; or
(ii) default or delinquency in interest or principal payments; or
(iii) it is becoming probable that the borrower will enter bankruptcy or financial re-organisation; or
(iv) the disappearance of an active market for that financial asset because of financial difficulties.

For certain categories of financial assets, such as trade receivables, assets that are assessed not to be impaired individually are in addition, assessed for impairment on a collective basis. Objective evidence of impairment for a portfolio of receivables could include the Group's past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period as well as observable changes in national or local economic conditions that correlate with default on receivables.

For financial assets carried at amortised cost, the amount of the impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

For financial assets carried at cost, the amount of the impairment loss is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment loss will not be reversed in subsequent periods.

The carrying amount of the financial assets is reduced by the impairment loss directly for all financial assets with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account. When a trade receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in the consolidated statement of profit or loss.

When an AFS financial asset is considered to be impaired, cumulative losses previously recognised in other comprehensive income are reclassified to consolidated statement of profit or loss in the period.

3. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial asset (continued)

Impairment of financial assets (continued)

For financial assets measured at amortised cost, 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 recognised, the previously recognised impairment loss is reversed through the consolidated statement of profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

In respect of available for sale equity securities, impairment losses previously recognised through the consolidated statement of profit or loss are not reversed through the consolidated statement of profit or loss. Any increase in fair value subsequent to an impairment loss is recognised in other comprehensive income and accumulated under the heading of fair value reserve. In respect of available for sale debt securities, impairment losses are subsequently reversed through consolidated statement of profit or loss if an increase in the fair value of the investment can be objectively related to an event occurring after the recognition of the impairment loss.

Derecognition of financial assets
The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in consolidated statement of profit or loss.

Financial liabilities and equity instruments issued by the Group

Equity instruments
An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Group are recorded at the proceeds received, net of direct issue costs.

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.

3. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial liabilities and equity instruments issued by the Group (continued)

Borrowings
Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the consolidated statement of profit or loss over the period of the borrowings using the effective interest 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 reporting date. This provision is included under 'trade and other payables' in the consolidated statement of financial position.

Employees' end-of-service benefits
A provision is made for employees end of service benefits which are payable on completion of employment. The provision is calculated in accordance with Qatari Labour Law based on employees' salary and accumulated period of service as at the reporting date.

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 under 'trade and other payables' in the consolidated statement of financial position.

Provisions
Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

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.

Income tax
Income tax on the profit or loss for the period comprises current and deferred tax. Income tax is recognised in the consolidated statement of profit or loss except to the extent that it relates to items recognised in other comprehensive income or directly in equity, in which case it is recognised in other comprehensive income or directly in equity, respectively.

Current tax is the expected tax payable on the taxable income for the period, using tax rates enacted or substantially enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

3. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Income tax (continued)

Income tax is recognised in the consolidated statement of profit or loss except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

Deferred tax assets/liabilities are calculated using the liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantially enacted at the reporting date.

Deferred income tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised. Deferred income tax assets and liabilities are offset as there is a legally enforceable right to offset these in applicable tax jurisdiction.

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

4. CRITICAL JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, which are described in note 3, management is required to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

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. Any difference between the amounts actually collected in future periods and the amounts expected will be recognised in the consolidated statement of profit or loss.

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. Any difference between the amounts actually realised in future periods and the amounts expected will be recognised in the consolidated statement of profit or loss.

4. CRITICAL JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (CONTINUED)

Useful lives of property and equipment

The Group's management determines the estimated useful lives of its property 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.

Impairment of goodwill

In determining whether goodwill is impaired requires an estimation of the value in use of the cash generating units to which the goodwill has been allocated. The value in use calculation requires the management to estimate the future cash flows expected to arise from the cash generating units and a suitable discount rate in order to calculate the present value. The recoverable amount of the cash generating unit is determined by management based on value in use calculation which uses cash flow projections based on forecast revenue and profit margin which have been projected for five years discrete period. The forecast EBITDA has been adjusted for changes in working capital and capital expenditure requirements to arrive at free cash flows forecast. The management used discount rate of 7% (2013: 7%) and terminal growth rate of 5% (2013: 5%).

5. PROPERTY AND EQUIPMENT

	Land	Buildings	Refrigerators and equipment	Motor vehicles	Furniture and fixtures	Computer equipment	Leasehold improvements	Capital work-in-progress	Total
	QR	QR	QR	QR	QR	QR	QR	QR	QR
Cost									
At January 1, 2014	5,452,860	208,167,924	92,695,924	9,126,185	30,300,682	10,356,841	20,993,417	33,295,750	410,389,583
Additions	--	4,433,411	18,078,360	114,950	2,195,841	1,122,697	3,314,722	297,902,079	327,162,060
Disposals	--	(517,082)	(199,840)	(373,657)	(8,436)	(112,385)	(505,727)	--	(1,717,127)
Transfers	--	--	21,651,588	70,554	(22,230,789)	5,118,025	6,336,005	(10,945,383)	--
At December 31, 2014	**5,452,860**	**212,084,253**	**132,226,032**	**8,938,032**	**10,257,298**	**16,485,178**	**30,138,417**	**320,252,446**	**735,834,516**
Accumulated depreciation:									
At January 1, 2014	--	58,001,623	38,413,022	5,779,625	15,106,948	3,275,587	5,487,835	--	126,064,640
Provided during the year	--	4,193,307	9,898,950	1,019,294	1,263,578	2,095,273	4,814,949	--	23,285,351
Relating to disposals	--	(517,082)	(55,636)	(373,638)	(7,592)	(75,826)	(505,716)	--	(1,535,490)
Transfers	--	--	5,027,255	70,554	(11,170,880)	4,273,989	1,799,082	--	--
At December 31, 2014	--	**61,677,848**	**53,283,591**	**6,495,835**	**5,192,054**	**9,569,023**	**11,596,150**	--	**147,814,501**
Net book value									
At December 31, 2014	**5,452,860**	**150,406,405**	**78,942,441**	**2,442,197**	**5,065,244**	**6,916,155**	**18,542,267**	**320,252,446**	**588,020,015**

5. PROPERTY AND EQUIPMENT (CONTINUED)

	Land	Buildings	Refrigerators and equipment	Motor vehicles	Furniture and fixtures	Computer equipment	Leasehold improvements	Capital work-in-progress	Total
	QR	QR	QR	QR	QR	QR	QR	QR	QR
Cost									
At January 1, 2013	5,383,975	137,753,158	89,414,915	8,457,875	39,855,847	18,764,399	23,581,358	76,599,528	399,811,055
Additions	75,030	--	14,394,796	2,469,988	2,917,302	4,050,570	1,854,127	66,214,578	91,976,391
Disposals	(6,145)	(176,286)	(30,098,781)	(1,801,678)	(20,999,991)	(14,829,522)	(12,025,569)	(1,459,891)	(81,397,863)
Transfers	--	70,591,052	18,984,994	--	8,527,524	2,371,394	7,583,501	(108,058,465)	--
At December 31, 2013	5,452,860	208,167,924	92,695,924	9,126,185	30,300,682	10,356,841	20,993,417	33,295,750	410,389,583
Accumulated Depreciation:									
At January 1, 2013	--	49,991,730	54,428,864	6,446,382	29,981,978	14,771,399	11,043,073	--	166,663,426
Provided during the year	--	8,145,681	12,758,445	1,046,210	4,426,199	2,915,450	3,573,950	--	32,865,935
Relating to disposals	--	(135,788)	(28,774,287)	(1,712,967)	(19,301,229)	(14,411,262)	(9,129,188)	--	(73,464,721)
At December 31, 2013	--	58,001,623	38,413,022	5,779,625	15,106,948	3,275,587	5,487,835	--	126,064,640
Net book value									
At December 31, 2013	5,452,860	150,166,301	54,282,902	3,346,560	15,193,734	7,081,254	15,505,582	33,295,750	284,324,943

5. PROPERTYAND EQUIPMENT (CONTINUED)

Expropriation of land and building

In July 2013, as part of the government infrastructure, design and urban expansion, the land and building located in Al Khor with a net book value of QR 1,031,009 was sold by the Group to the Government of Qatar represented by Ministry of Municipality and Urban Planning. The total proceeds received from the sale amounted to QR 72,448,630.

Change in estimated useful life of property and equipment

The Group reviews the estimated useful lives of property and equipment at the end of each reporting period. During the year, the Group determined that the actual lives of certain asset categories were generally longer than the useful lives used for depreciation purposes. Therefore, after taking the necessary approval, the Group extended the estimated useful lives of certain categories of property and equipment, effective January 1, 2014. The following are the new and old depreciation rates:

	New rates	**Old rates**
Buildings	3%	5%
Refrigerators and equipment	10%	20%
Motor vehicles	20%	20%
Furniture and fixtures	20%	20%
Computer equipments	20% - 33%	20% - 33%
Leasehold improvements	10%- 33%	10%- 33%

The depreciation charge for the year amounted to QR. 23.28 million. Assuming there were no changes in the estimated useful life of the assets, the depreciation expense during the year would have been higher by QR. 17.47 million.

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

	2014	2013
	QR	QR
Cost of sales	**135,276**	238,545
Depreciation	**23,150,075**	32,627,390
	23,285,351	32,865,935

6. INTANGIBLE ASSETS

	2014	2013
	QR	QR
Cost:		
At the beginning of the year	17,762,653	16,085,978
Additions	--	3,772,567
Disposals	(48,626)	(2,095,892)
At the end of the year	17,714,027	17,762,653
Accumulated amortisation:		
At the beginning of the year	5,958,255	6,173,444
Charge for the year	1,514,990	1,733,251
Disposals	--	(1,948,440)
At the end of the year	7,473,245	5,958,255
Net book value at the end of the year	10,240,782	11,804,398

7. AVAILABLE-FOR-SALE INVESTMENTS

	2014	2013
	QR	QR
Quoted equity investments	196,160,238	133,682,597
Unquoted equity investments	14,144,064	14,594,064
	210,304,302	148,276,661

	2014	2013
Carrying value of available-for-sale investments:		
At January 1,	148,276,661	125,825,910
Additions	688,022,139	218,403,566
Disposals	(605,015,943)	(198,058,118)
Changes in fair value of investment	(20,528,555)	2,105,303
Provision for impairment of unquoted shares	(450,000)	--
	210,304,302	148,276,661

8. INVESTMENT IN AN ASSOCIATE

	2014	2013
	QR	QR
Balance at January 1,	--	--
Additions during the year	102,000	--
Share in net loss for the year	(3,503)	--
	98,497	--

8. INVESTMENT IN AN ASSOCIATE (CONTINUED)

Details of the Group's associate at December 31, is as follows:

Name of associate	Principal activity	Place of incorporation and operation	Proportion of ownership interest 2014 %	2013 %
Aramex Logistics Services L.L.C	Warehousing, value added services and delivery truck services	Qatar	51%	--

This investment in an associate is accounted for using the equity method in these financial statements. Summarized financial information in respect of the Group's associate is set out below:

	2014 QR	2013 QR
Total assets	200,000	--
Total liabilities	(6,869)	--
Net assets	193,131	--
Group's share in associate's net assets	98,497	--
Revenue	--	--
Net loss for the year	(6,869)	--
Group's share in associate's net losses	(3,503)	--

One of the partner in Aramex Logistics Services, L.L.C. is a related party of the Group.

9. BUSINESS COMBINATION

The movement in goodwill was as follows:

	2014 QR	2013 QR
At January 1	344,097,998	227,028,986
Related to acquisition of business during the year	--	117,069,012
	344,097,998	344,097,998

9. BUSINESS COMBINATION (CONTINUED)

(a) Information of prior year acquisition of Safeer Oman

Effective from February 1, 2013, the Group acquired the business of five supermarket outlets in the Sultanate of Oman and has taken over certain related assets and assumed liabilities based on estimated fair values on that date. The transaction is accounted for as a business combination in accordance with IFRS 3 "Business Combinations".

The fair values of the identifiable assets and liabilities of the acquired business as at the date of acquisition were:

	QR
Assets	
Property, plant and equipment	2,001,555
Intangible assets (Note (i))	2,536,918
Inventory	15,410,976
Advance payments and other receivables	694,336
Total assets	20,643,785
Liabilities	
Trade payables	20,289,416
Store rental payable	546,554
Advances received and other payables	90,535
Total liabilities	20,926,505
Identifiable net liabilities assumed	(282,720)
Fair value of purchase consideration	(116,786,292)
Goodwill arising in acquisition	117,069,012
Cash flow on acquisition	
Cost of acquisition	116,786,292

(i) These intangible assets include favourable lease agreements and software systems acquired as part of the acquisition.

9. BUSINESS COMBINATION (CONTINUED)

(b) Allocation of goodwill to cash generating units

For impairment assessment purposes, the carrying amount of goodwill has been allocated to the following cash generating units:

	2014	2013
	QR	QR
Qatar Markets Company W.L.L.	**227,028,986**	227,028,986
Al Meera Market (Al Safeer Oman) – five supermarkets	**117,069,012**	117,069,012
	344,097,998	344,097,998

The recoverable amounts of these cash generating units have been determined based on value in use calculations. The calculations uses cash flow projections based on forecast revenues and profit margins approved by management covering a 5 year period and a discount rate of 7% (2013: 7%). The forecast EBITDA has been adjusted for changes in working capital and capital expenditure requirements to arrive at free cash flows forecast. The cash flows beyond the five-year period are extrapolated using a steady growth rate of 5% (2013: 5%) which is the projected long term growth rate of the Group.

Other assumptions used in calculation of value in use includes expected revenue growth rate, fixed average EBITDA margin and capital expenditure forecast. Current and historical transactions have been used as indicators of future transactions.

Management believes that any reasonably possible change in the above key assumptions on which the recoverable amount is based would not cause the carrying value of the goodwill to materially exceed its recoverable amount, accordingly, no impairment loss was recognized in years 2014 and 2013.

10. INVENTORIES

	2014	2013
	QR	QR
Finished goods	**172,966,300**	149,373,149
Inventories consumable and spare parts	**538,652**	360,818
	173,504,952	149,733,967
Less: Allowance for shrinkage and slow moving inventories	**(1,675,313)**	(1,185,072)
	171,829,639	148,548,895

10. INVENTORIES (CONTINUED)

The movement in the allowance for shrinkage and slow moving inventories are as follows:

	2014	2013
	QR	QR
At January 1,	1,185,072	226,749
Increase in allowance recognized during the year	490,241	958,323
	1,675,313	1,185,072

11. ACCOUNTS RECEIVABLE AND PREPAYMENTS

	2014	2013
	QR	QR
Trade receivables	12,094,867	8,153,954
Credit card receivables	5,490,036	4,222,453
Prepayments	4,137,858	12,545,575
Deposits	2,814,348	2,820,725
Staff receivables	2,420,459	1,156,563
Accrued interest income	4,136,511	2,996,592
Rent receivables	192,487	285,991
Advances to supplier	12,126,966	16,157,383
Other receivables	506,189	1,403,115
	43,919,721	49,742,351
Less: Allowance for impairment of receivables	(1,994,286)	(1,812,509)
	41,925,435	47,929,842

At December 31, 2014, trade receivables at nominal value of QR 1,994,286 (2013: QR 1,812,509) were impaired.

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

	2014	2013
	QR	QR
At January 1,	1,812,509	1,628,133
Charge for the year	181,777	261,759
Recovery for the year	--	(77,383)
	1,994,286	1,812,509

11. ACCOUNTS RECEIVABLE AND PREPAYMENTS (CONTINUED)

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

			Past due but not impaired			
	Total	<30 days	30-60 days	61-90 days	91-120 days	>120 days
	QR	QR	QR	QR	QR	QR
2014	**10,100,581**	**2,226,271**	**3,120,348**	**1,770,163**	**1,562,360**	**1,421,439**
2013	6,341,445	1,922,705	1,560,516	961,597	1,676,520	220,107

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

12. CASH AND CASH EQUIVALENTS

Cash and cash equivalents at the end of the financial year as shown in the consolidated statement of cash flows can be reconciled to the related items in the consolidated statement of financial position as follows:

	2014	2013
	QR	QR
Cash at banks	**621,766,791**	808,020,778
Cash on hands	**2,205,240**	1,843,023
	623,972,031	809,863,801
Time deposits maturing over 90 days	**(428,316,000)**	(601,333,699)
	195,656,031	208,530,102

Bank deposits are deposited with local banks, mature in more than 3 months and carry interest ranging from 1% to 2% (2013: 1% to 1.5%) per annum.

13. SHARE CAPITAL

	2014	2013
	QR	QR
Authorised, issued and fully paid 20,000,000 ordinary shares of QR. 10 each (2013: 20,000,000 ordinary shares)	**200,000,000**	200,000,000

14. 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 Group. 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 66 of the Group's Articles of Association, upon 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.

15. LOAN AND BORROWINGS

	2014 QR	2013 QR
Long term Murabaha facility	88,900,000	--
Deferred financing arrangement cost	(620,077)	--
	88,279,923	--

This loan represents clean Murabaha facility obtained from Qatar Development Bank on June 30, 2014. The facility carries a profit rate of 3% per annum and is payable over 40 quarterly instalments starting September 30, 2016. The loan is presented net of unamortised financing arrangement cost.

The loan was obtained to partially fund the acquisition in Oman (Note 9). The facility agreement contains certain covenants related to the capital structure of the operation of the business of Al Meera Markets SAOC, the Group subsidiary in Oman.

16. EMPLOYEES' END OF SERVICE BENEFITS

	2014	2013
	QR	QR
At January 1,	21,095,034	17,897,797
Provision during the year	4,865,612	4,877,741
Payment during the year	(2,576,476)	(1,680,504)
	23,384,170	21,095,034

17. ACCOUNTS PAYABLE AND ACCRUALS

	2014	2013
	QR	QR
Trade payables	292,833,648	267,845,628
Dividends payable	57,827,628	47,572,305
Payable to contractors	34,484,115	14,420,621
Deferred rent income	1,705,867	1,756,417
Staff bonus	10,170,361	9,229,584
Provision for social and sports activities contribution	5,465,891	4,769,615
Provision for air tickets and leave pay	4,156,538	3,697,274
Provision for Board remuneration	7,500,000	5,910,763
Accrued expenses	10,917,282	5,976,255
Other payables	9,494,950	9,092,415
	434,556,280	370,270,877

18. TAXATION

	2014	2013
	QR	QR
Current year	--	--
Deferred tax	68,733	(490,162)
Income tax expense/(credit) for the year	68,733	(490,162)

18. TAXATION (CONTINUED)

a) Current tax

The Group is subject to income tax at the rate of 12% of taxable profits in excess of QR 285,000 (RO 30,000) on its operation in the Sultanate of Oman. Due to tax losses incurred during the year on operations in Sultanate of Oman, no current tax expenses were recognised during the year.

b) Deferred tax asset

The net deferred tax asset amounting to QR 421,429 (2013: 490,162) is based on timing differences between the tax and accounting basis of various assets and liabilities of the Group.

19. DIVIDENDS

On March 1, 2015, the Board of Directors proposed cash dividend of QR 9 per share amounting to QR 180 million for the shareholders (2014: QR 8 per share amounting to QR 160 million). This has been approved in the Annual General Assembly held subsequent to that date.

20. CONTRIBUTION TO SOCIAL FUND

In accordance with Law No. 13 of 2008, the Group made an appropriation of profit of QR 5.46 million in 2014 (in 2013: QR 4.76 million) equivalent to 2.5% of the adjusted net profit of the Group and that of its subsidiaries for the year for the support of sports, cultural, social and charitable activities.

21. OTHER INCOME

	2014	2013
	QR	QR
Dividend income	**7,948,796**	5,338,503
Gain on sale of available for sale of investments, net	**61,051,635**	14,881,237
Interest income	**9,284,896**	7,274,115
Gain/(loss) on sale of property and equipment	**199,005**	(5,792,738)
Other income	**2,582,760**	4,364,776
	81,067,092	26,065,893

22. GENERAL AND ADMINISTRATIVE EXPENSES

	2014	2013
	QR	QR
Staff costs	132,216,992	126,678,161
Rent	33,246,514	31,280,087
Water and electricity	10,892,962	9,634,370
Contract labour charges	14,931,399	12,946,341
Consulting and professional fees	3,623,586	5,460,822
Board of Directors remuneration	7,576,000	5,885,263
Bank charges, commission and credit card charges	5,575,863	4,584,425
Repairs and maintenance	5,369,205	6,140,346
Advertisement	3,702,461	3,123,814
Vehicles and insurance expenses	2,757,039	3,495,202
Telephone and post	1,894,851	1,868,667
Printing and stationary	1,121,870	1,016,682
Travelling expenses	2,300,331	1,675,730
Franchise fee	3,743,982	2,341,218
Donations	83,000	101,400
Others	2,989,344	4,168,661
	232,025,399	220,401,189

23. BASIC AND DILUTED EARNINGS PER SHARE

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

	2014	2013
Profit attributable to the equity holders for the year (QR.)	226,584,439	196,123,109
Weighted average number of shares outstanding during the period (i) (no. of shares)	20,000,000	19,101,370
Basic and diluted earnings per share	11.33	10.27

23. BASIC AND DILUTED EARNINGS PER SHARE (CONTINUED)

(i) The weighted average number of shares has been calculated as follows:

	2014	2013
Qualifying shares at beginning of the year	**20,000,000**	10,000,000
Effect of rights issue, including bonus element	--	9,101,370
Weighted average number of shares at the end of the year	**20,000,000**	19,101,370

24. COMPONENTS OF OTHER COMPREHENSIVE INCOME

	2014 QR	2013 QR
Available-for-sale investments		
Items that may be reclassified subsequently to profit or loss		
Net fair value gain on available for sale investments	**40,523,080**	3,861,222
Cumulative gain reclassified to profit or loss on sale of available-for-sale financial assets	**(61,051,635)**	(1,755,919)
	(20,528,555)	2,105,303

25. CONTINGENCIES AND COMMITMENTS

	2014 QR	2013 QR
Letter of credits	**1,813,242**	5,862,745
Letter of guarantees	**4,490,441**	943,974
	6,303,683	6,806,719

The Group's contingent liabilities consist of letters of credit and guarantee 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.

Capital commitment
The Group's capital commitment contracted but not provided for in the consolidated financial statements as at December 31, 2014 amounted to QR. 98 million (2013: QR. 45 million).

26. COMMITMENTS UNDER OPERATING LEASES

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:

	2014	2013
	QR	QR
Not later than one year	**29,290,229**	27,861,029
Later than one year and not later than five years	**103,980,945**	108,377,721
Later than five years	**44,175,067**	64,813,826
	177,446,241	201,052,576

27. RELATED PARTY DISCLOSURES

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.

(i) Related party transactions

Except for advances made to related parties, there were no significant purchases or sales of goods or services made with related parties.

a) Related party balances

Due from a related party included in the consolidated statement of financial position is as follows:

	2014	2013
	QR	QR
Aramex Logistics Services L.L.C.	**6,869**	--
	6,869	--

b) Transaction with government

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

27. RELATED PARTY DISCLOSURES (CONTINUED)

c) Transactions with key management personnel

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

	2014	2013
	QR	QR
Key management remuneration	**5,297,853**	5,214,221
Board of Directors' remuneration	**7,576,000**	5,885,263
	12,873,853	11,099,484

28. 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 good.
- 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.

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.

28. SEGMENT INFORMATION (CONTINUED)

	Retail	Investment	Leasing	Total
	QR	QR	QR	QR
Year ended December 31, 2014				
Sales	2,176,005,608	--	--	2,176,005,608
Cost of sales	(1,814,928,236)	--	--	(1,814,928,236)
Gross profit	361,077,372	--	--	361,077,372
Shops rental income	--	--	42,761,250	42,761,250
Dividend income	--	7,948,796	--	7,948,796
Gain on available for sale investments, net	--	61,051,635	--	61,051,635
Interest income	--	9,284,896	--	9,284,896
Other income	2,781,765	--	--	2,781,765
Operating income	363,859,137	78,285,327	42,761,250	484,905,714
General and administrative expenses	(227,215,074)	(450,000)	(4,360,325)	(232,025,399)
Share in net loss of an associate	--	(3,503)	--	(3,503)
Finance costs	(1,422,733)	--	--	(1,422,733)
Depreciation and amortisation	(23,132,215)	--	(1,532,850)	(24,665,065)
Profit before income tax	112,089,115	77,831,824	36,868,075	226,789,014
Income tax expense	(68,733)	--	--	(68,733)
Profit for the year	112,020,382	77,831,824	36,868,075	226,720,281

28. SEGMENT INFORMATION (CONTINUED)

	Retail	Investment	Leasing	Total
	QR	QR	QR	QR
Year ended December 31, 2013				
Sales	1,945,952,216	--	--	1,945,952,216
Cost of sales	(1,626,436,774)	--	--	(1,626,436,774)
Gross profit	319,515,442	--	--	319,515,442
Shops rental income	--	--	36,584,593	36,584,593
Dividend income	--	5,338,503	--	5,338,503
Gain on available for sale investments, net	--	14,881,237	--	14,881,237
Other income	70,012,135	7,274,115	(22,476)	77,263,774
Operating income	389,527,577	27,493,855	36,562,117	453,583,549
General and administrative expenses	(217,779,751)	(10,403)	(2,611,035)	(220,401,189)
Finance costs	(3,690,470)	--	--	(3,690,470)
Depreciation and amortisation	(31,853,758)	--	(2,506,883)	(34,360,641)
Profit before income tax	136,203,598	27,483,452	31,444,199	195,131,249
Income tax credit	490,162	--	--	490,162
Profit for the year	136,693,760	27,483,452	31,444,199	195,621,411

The following table presents segmental assets regarding the Group's business segments for the year ended December 31, 2014 and December 31, 2013 respectively:

	Retail	**Investment**	**Leasing**	**Total**
	QR	**QR**	**QR**	**QR**
Segment assets				
At December 31, 2014	**1,296,634,785**	**638,718,798**	**55,563,414**	**1,990,916,997**
At December 31, 2013	1,645,050,400	137,980,431	12,305,869	1,795,336,700

28. SEGMENT INFORMATION (CONTINUED)

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

	Qatar		Oman		Total	Total
	2014	2013	**2014**	2013	**2014**	2013
	QR	QR	**QR**	QR	**QR**	QR
Total assets	**1,804,854,292**	1,612,501,854	**186,062,705**	182,834,846	**1,990,916,997**	1,795,336,700
Total liabilities	**514,527,863**	336,380,261	**31,692,510**	54,985,650	**546,220,373**	391,365,911

	Qatar		Oman		Total	Total
	2014	2013	**2014**	2013	**2014**	2013
	QR	QR	**QR**	QR	**QR**	QR
Total revenue	**2,024,101,089**	1,809,785,464	**151,904,519**	136,166,752	**2,176,005,608**	1,945,952,216
Net income/(loss)	**225,204,780**	197,228,624	**1,515,501**	(1,607,213)	**226,720,281**	195,621,411

29. FINANCIAL RISK MANAGEMENT

Objective and policies
The Group's principal financial liabilities comprise accounts payable 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 arise directly from its operations.

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 statement of profit or loss to reasonably possible changes in interest rates, with all other variables held constant. The sensitivity of the consolidated statement of profit or loss 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 December 31, 2014 and 2013. The effect of decreases in interest rates is expected to be equal and opposite to the effect of the increase shown.

	Increase in basis points	*Effect on profit*
2014	+25	1,070,790
2013	+25	1,503,334

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.

	Changes in equity prices	*Effect on equity*
2014		
Available-for-sale investments – quoted	**5%**	**9,808,012**
2013		
Available-for-sale investments – quoted	5%	6,684,130

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 consolidated statement of profit or loss and other comprehensive income will be impacted.

29. FINANCIAL RISK MANAGEMENT (CONTINUED)

Market risk (continued)

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 on 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.

With respect to credit risk arising from the financial assets of the Group, including receivables and bank balance, 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.

	2014	2013
	QR	QR
Bank balances	**621,766,791**	808,020,778
Trade and other receivables	**37,787,577**	35,384,267
	659,554,368	843,405,045

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 December 31, based on contractual payment dates and current market interest rate.

29. FINANCIAL RISK MANAGEMENT (CONTINUED)

Liquidity risk (continued)

	On demand	Less than 1 year	More than 1 year and less than 2 years	More than 2 years and less than 5 years	More than 5 years	Total
	QR	QR	QR	QR	QR	QR
2014						
Trade payables	--	**292,833,648**	--	--	--	**292,833,648**
Dividends payable	**57,827,628**	--	--	--	--	**57,827,628**
Other payables	--	**45,684,932**	--	--	--	**45,684,932**
Loans and borrowings	--	--	**3,606,082**	**23,788,325**	**60,885,516**	**88,279,923**
Total	**57,827,628**	**338,518,580**	**3,606,082**	**23,788,325**	**60,885,516**	**484,626,131**

	On demand	Less than 1 year	More than 1 year and less than 2 years	More than 2 years and less than 5 years	More than 5 years	Total
	QR	QR	QR	QR	QR	QR
2013						
Trade payables	--	267,845,628	--	--	--	267,845,628
Dividends payable	47,572,305	--	--	--	--	47,572,305
Other payables	--	25,269,453	--	--	--	25,269,453
Total	47,572,305	293,115,081	--	--	--	340,687,386

Capital management

The Group manages its capital to ensure that it will be able to continue as a going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance.

The capital structure of the Group consists of debt, which includes the borrowings disclosed in note 15, cash and cash equivalents and equity, comprising issued capital, reserves and retained earnings as disclosed in notes 12 and 13 respectively.

29. FINANCIAL RISK MANAGEMENT (CONTINUED)

Capital management (continued)

Gearing ratio

The gearing ratio at year end was as follows:

	2014	2013
	QR	QR
Debt (i)	**88,279,923**	--
Cash and bank balances	**(623,972,031)**	--
Net cash	**(535,692,108)**	--
Equity (ii)	**1,444,696,624**	--
Net debt to equity ratio	**(37%)**	--

(i) *Debt is defined as long-term debt, as detailed in note 15*

(ii) *Equity includes all capital and reserves of the Group that are managed as capital*

30. 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.

30. FAIR VALUES OF FINANCIAL INSTRUMENTS (CONTINUED)

As at December 31, the Group held the following financial instruments measure at fair value:

	December 31, 2014	**Level 1**	**Level 2**	**Level 3**
	QR	**QR**	**QR**	**QR**
Available-for-sale investments -Quoted shares	**196,160,238**	**196,160,238**	**--**	**--**

	December 31, 2013	Level 1	Level 2	Level 3
	QR	QR	QR	QR
Available-for-sale investments -Quoted shares	133,682,597	133,682,597	--	--

Available-for-sale investments amounting to QR 14,144,064 (2013: QR 14,594,064) are carried at cost since the fair value cannot be reliably determined by the management.

During the year ending December 31, 2014, 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.