ISLAMIC HOLDING GROUP (Q.P.S.C.)
DOHA – STATE OF QATAR

CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED
DECEMBER 31, 2017

TOGERTHER WITH
INDEPENDENT AUDITOR'S REPORT

ISLAMIC HOLDING GROUP (Q.P.S.C.)
DOHA – STATE OF QATAR

CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED
DECEMBER 31, 2017

TOGERTHER WITH
INDEPENDENT AUDITOR'S REPORT

TABLE OF CONTENTS

INDEPENDENT AUDITOR'S REPORT

TO THE SHAREHOLDERS
ISLAMIC HOLDING GROUP (Q.P.S.C.)
DOHA – STATE OF QATAR

Report on the Audit of Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of Islamic Holding Group (Q.P.S.C) (the "Company") and its subsidiaries (together referred to as the "Group") which comprise the statement of financial position as of December 31, 2017, and the related consolidated statements of profit or loss, comprehensive income, changes in shareholders' equity and cash flows for the year then ended, and other explanatory information and notes to the consolidated financial statements, including significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at 31 December 2017, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements that are relevant to our audit of the consolidated financial statements in the State of Qatar, and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matter

Key audit matter is a matter that, in our professional judgment, were of most significance for our audit of the consolidated financial statements of the current year. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated financial statements.

Key Audit Matters (Continued)

We identified the following key audit matter:

Bank balances with customers' funds and due to customers

The Group's bank balances with due to customers account and customers' funds for 94 % and 26% of its consolidated total assets and consolidated total liabilities respectively as at 31 December 2017. Bank balances with customers' funds arises from deposit made by and collection on behalf of customers on share trade transactions and is included in the due to customers as a liability account. Due to the magnitude of the account balances, nature and high volume of transactions, we have determined the existence of the bank balances with customers' fund and the completeness of the due to customers as key audit matter in our audit.

We obtained confirmations of bank balances for all depository accounts. In addition, we examined the reconciliations for all the banks accounts at year end to verify the proper reconciliation between bank confirmation and general ledger accounts.

We also performed analytical procedures and examined the reconciliation between the bank account with customer funds and the due to customers' accounts

Other Matters

The consolidated financial statements of the Group for the year ended December 31, 2016 have been audited by other independent auditor, whose report dated January 25, 2017 expressed an unqualified opinion on those financial statements.

Other information

The Board of Director is responsible for the other information which consists of the information included in the Group's 2017 Annual Report other than the financial statements and our auditor's report thereon. But it does not include the consolidated financial statements and the auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, it is our responsibility to review other information and, if so, whether the information is not materially consistent with the consolidated financial statements or the information obtained during the audit, If we find a material error about this other information, we should report this in our report. We have nothing to report on.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

The Board of Directors is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRSs and the Qatari commercial companies law 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.
In preparing the consolidated financial statements, the Board of Directors is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.
The management is responsible for overseeing the company's financial reporting process.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.
As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit 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.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

Conclude on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements (Continued)

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

Furthermore, in our opinion, proper books of account have been kept by the Group and the consolidated financial statements comply with the Qatar Commercial Companies' Law No. 11 of 2015 and the Company's Articles of Association. We have obtained all the information and explanations we required for the purpose of our audit and are not aware of any violations of the above mentioned law or the Articles of Association having occurred during the year, which might have had a material effect on the business of the Group or on its financial position as of December 31, 2017.

Rödl & Partner – Qatar Branch **Doha – Qatar**
Certified Public Accountants **January 24, 2018**

Hikmat Mukhaimer, FCCA (UK)
License No. 297
QFMA Registration Auditor's No. 120151

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at December 31, 2017

	Notes	December 31, 2017 QR	December 31, 2016 QR
ASSETS			
Current assets			
Bank balances	5	114,371,203	130,189,069
Bank balances - customers' funds	6	51,996,217	214,345,334
Due from Qatar Central Securities Depository (QCSD)		13,514,804	8,235,491
Prepayments and other debit balances	7	3,625,974	2,724,360
Total current assets		**183,508,198**	**355,494,254**
Non-current assets			
Investment properties	8	8,636,356	8,934,858
Available for sale financial assets	9	7,246,486	3,287,986
Property and equipment	10	821,151	980,259
Total non-current assets		**16,703,993**	**13,203,103**
Total assets		**200,212,191**	**368,697,357**
LIABILITIES AND SHAREHOLDERS' EQUITY			
Current liabilities			
Due to customers		60,358,147	222,585,205
Accrued expenses and other credit balances	11	2,564,539	2,031,368
Total current liabilities		**62,922,686**	**224,616,573**
Non-current liability			
Employees' end of service benefits	12	1,275,969	1,318,309
Total liabilities		**64,198,655**	**225,934,882**
Shareholders' equity			
Share capital	13	56,635,810	56,635,810
Legal reserve	14	78,780,322	78,780,322
Fair value reserve	9-A	(554,984)	--
Retained earnings		1,152,388	7,346,343
Total shareholders' equity		**136,013,536**	**142,762,475**
Total liabilities and shareholders' equity		**200,212,191**	**368,697,357**

Dr. Yousuf Ahmad Husain Al-Neema
Chairman and Managing Director

Khalid Mohamed Al-Emadi
Board Member

The attached notes 1 to 26 form part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS
FOR THE YEAR ENDED DECEMBER 31, 2017

	Notes	For the year ended December 31, 2017 QR	2016 QR
Brokerage and commission income		7,165,263	15,369,529
Brokerage and commission expense	16	(2,018,316)	(4,780,695)
Net Brokerage and commission income		**5,146,947**	**10,588,834**
Add:			
Income from saving and deposit accounts with Islamic banks		2,752,746	1,766,081
Rental income		72,708	--
Other income		228,549	--
Profit from sale of available for sale financial assets	9	65,858	--
Gain/(Loss) on revaluation of investment properties	8	(298,502)	466,206
Net operating income		**7,968,306**	**12,821,121**
Less:			
General and administrative expenses	17	(7,920,785)	(8,174,751)
Depreciation of Property and equipment	10	(348,804)	(313,461)
Bank Charges		(229,091)	(226,849)
Net (Loss)/Profit for the year		**(530,374)**	**4,106,060**
Basic diluted / (loss) earnings per share	18	**(0.09)**	**0.72**

The attached notes 1 to 26 form part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED DECEMBER 31, 2017

	Notes	Year ended December 31, 2017 QR	2016 QR
Net (Loss)/Profit for the year		**(530,374)**	**4,106,060**
Other comprehensive income to be reclassified to profit or loss in subsequent periods:			
Net change in fair value of available-for-sale financial assets	9-A	(554,984)	--
Total comprehensive (Loss)/income for the year		**(1,085,358)**	**4,106,060**

The attached notes 1 to 26 form part of these consolidated financial statements.

ISLAMIC HOLDING GROUP (Q.P.S.C.)

CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE YEAR ENDED DECEMBER 31, 2017

	Share capital	Legal reserve	Fair value reserve	Retained earnings	Total
	QR	QR	QR	QR	QR
As at 1 January 2016	**40,000,000**	**12,638,207**	**--**	**9,342,934**	**61,981,141**
Profit for the period	--	--	--	4,106,060	**4,106,060**
Total comprehensive income for the year	--	--	--	4,106,060	**4,106,060**
Dividends paid to shareholders (Note 15)	--	--	--	(6,000,000)	**(6,000,000)**
Increase in share capital (Note 13)	16,635,810	66,142,115	--	--	**82,777,925**
Contribution to social and sports fund (Note 20)				(102,651)	**(102,651)**
As at 31 December 2016	**56,635,810**	**78,780,322**	**--**	**7,346,343**	**142,762,475**

	Share capital	Legal reserve	Fair value reserve	Retained earnings	Total
	QR	QR	QR	QR	QR
As at 1 January 2017	**56,635,810**	**78,780,322**	**--**	**7,346,343**	**142,762,475**
Profit for the year	--	--	--	(530,374)	**(530,374)**
comprehensive income for the year	--	--	(554,984)	--	**(554,984)**
Total comprehensive Loss for the period	--	--	(554,984)	(530,374)	**(1,085,358)**
Dividends paid to shareholders (Note 15)	--	--	--	(5,663,581)	**(5,663,581)**
As at 31 December 2017	**56,635,810**	**78,780,322**	**(554,984)**	**1,152,388**	**136,013,536**

The attached notes 1 to 26 form part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2017

		Year ended December 31,	
		2017	2016
	Notes	QR	QR
Operating activities			
Net (loss)/ profit for the year		(530,374)	4,106,060
Adjustments for:			
Depreciation expense	10	348,804	313,461
Bank charges		229,091	226,849
Income from saving accounts and deposits with Islamic banks		(2,752,746)	(1,766,081)
Net gain from sale of available-for-sale financial assets	9	(65,858)	--
Net loss / (gain) from revaluation of investment properties	8	298,502	(466,206)
Provision for employees' end of service benefits	12	166,623	154,080
		(2,305,958)	**2,568,163**
Working capital changes:			
Bank balances – customers' funds		162,349,117	(56,468,308)
Due from Qatar Central Securities Depository (QCSD)		(5,279,313)	16,347,328
Prepayments and other debit balances		(901,614)	267,084
Due to customers		(162,227,058)	40,060,615
Accrued expenses and other credit balances	11	533,171	(1,481,291)
Cash flows (used in) from operating activities		**(7,831,655)**	**1,293,594**
Bank charges paid		(229,091)	(226,849)
Employees end of service benefits paid	12	(208,963)	--
Net cash flows (used in) from operating activities		**(8,269,709)**	**1,066,745**
Investing activities			
Purchases of property and equipment	10	(189,696)	(397,439)
Additions of Investment property	8	--	(55,745)
proceeds from available-for-sale financial assets	9	1,083,071	--
Purchases of available-for-sale financial assets	9	(5,530,697)	--
Income from savings accounts and deposits with Islamic banks received		2,752,746	1,766,081
Cash flows used in / from investing activities		**(1,884,576)**	**1,312,897**
Financing activity			
Proceeds from increase in share capital	13	--	82,675,339
Dividend paid to shareholders		(5,663,581)	(6,000,000)
Cash flows (used in) from financing activity		**(5,663,581)**	**76,675,339**
Net (decrease) increase in cash and cash equivalents		(15,817,866)	79,054,981
Cash and cash equivalents at 1 January		130,189,069	51,134,088
Cash and cash equivalents at 31 December	5	**114,371,203**	**130,189,069**

The attached notes 1 to 26 form part of these consolidated financial statements.

1 GENERAL INFORMATION

Islamic Holding Group (Q.P.S.C) "Previously Islamic Financial Securities (Q.S.C) was established as a Qatari Private Shareholding Company and registered under the Commercial Registration under No. 26337. The principal activities of the Company are investing in shares, bonds and brokerage services in Qatar Exchange according to the Islamic Sharea'a. The Company is governed by the provisions of Qatar Commercial Companies' Law No.11 of 2015 and the regulations of Qatar Financial Market Authority and Qatar Exchange.

Upon the recommendation of the Board of Directors on 28 December 2009 and the Extraordinary General Assembly Resolution of 22 August 2010, it was agreed to change the name and legal form of the Company from the Islamic Securities Company (a Qatari public shareholding company) to the Islamic Holding Group (a Qatari public shareholding company) The change was made on the basis of the decision of the Qatar Financial Markets Authority and the approval of the Ministry of Economy and Trade on 19 July 2010.

These consolidated financial statements include the financial statements of the Company and its subsidiaries "Islamic Financial Securities Company (W.L.L.) and Agyad Real Estate Company (W.L.L) (hereinafter referred to as the "Group").

Islamic Financial Securities Company (W.L.L.) was registered in the State of Qatar under Commercial Registration No. 46645 on 19 Jul 2010. It is fully owned by the Islamic Holding Group (Q.P.S.C.) ("the Company" or "the Parent"), the principal activities of the Company are brokerage services.

Agyad Real Estate Company (W.L.L.) was incorporated in the state of Qatar under Commercial Registration No. 56091 dated 4 June 2012. The Company is fully owned by the parent Company, Islamic Holding Group (Q.P.S.C) (the "Company" or the "Parent"), the principal activities of the Company are real estate trading and brokerage activities.

The consolidated financial statements of the Group for the year ended December 31, 2017 were authorised for issue in accordance with a resolution of the Board of Directors on 24 January 2018.

2 BASIS OF PREPARATION AND CONSOLIDATION

2.1 Basis of preparation

The consolidated financial statements of the Group for the year ended 31 December 2017 have been prepared in accordance with the International Financial Reporting Standard (IFRS) as issued by the International Standards Accounting Board (IASB) and related requirements of Qatar Commercial Companies Law No. 11 of 2015.

The consolidated financial statements have been prepared on historical cost basis, except for available-for-sale financial assets and investment properties that have been measured at fair value.

The consolidated financial statements are presented in Qatari Riyals, which is the Group's functional and presentational currency.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Group's accounting policies. The areas involved a higher degree of judgment or complexity or areas where assumptions and estimates are significant to consolidated financial statements are disclosed in Note No. 25.

2 BASIS OF PREPARATION AND CONSOLIDATION (CONTUNUED)

2.2 Basis of consolidation

The consolidated financial statements comprise the financial statement of the Company and its subsidiaries as at 31 December 2017.

Subsidiaries are consolidated from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date when such control ceases. The financial statements of the subsidiaries are prepared for the same reporting period as the parent company, using consistent accounting policies. All intra-group balances, transactions, unrealized gains and losses resulting from intra-group transactions and dividends are eliminated in full.

Where the ownership of a subsidiary is less than 100% and, therefore, a non-controlling interest (NCI) exists, the NCI is allocated its share of the total comprehensive income of the period, even if that results in a deficit balance.

The Group's subsidiaries included in these consolidated financial statements are:

Company's name	Country of incorporation	Company's activities	Percentage of ownership December 31, 2017	Percentage of ownership December 31, 2016
Islamic Financial Securities Company (W.L.L.)	Qatar	Brokerage services	100%	100%
Agyad Real Estate Company (W.L.L.)	Qatar	Real Estate	100%	100%

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:

- Derecognizes the assets (including goodwill) and liabilities of the subsidiary;
- Derecognizes the carrying amount of any non-controlling interest;
- Derecognizes the cumulative translation differences, recorded in equity;
- Recognizes the fair value of the consideration received;
- Recognizes the fair value of any investment retained;
- Recognizes any surplus or deficit in profit or loss;
- Reclassifies the parent's share of components previously recognized in other comprehensive income to profit or loss or retained earnings, as appropriate.

3 NEW STANDARDS, INTERPRETATION AND AMENDMENTS

1/3) Newly effective amendments and improvements to standards

During the current year, the below amended International Financial Reporting Standards ("IFRS" or "standards") and improvements to standards became effective for the first time for financial years ending 31 December 2017:

- Amendments to IAS 7 "Disclosure Initiative"
- Amendments to IAS 12 on recognition of deferred tax assets for unrealised losses
- Annual improvements to IFRSs 2014-2016 cycle- various standards

The adoption of the above amended standards and improvements to standards had no significant impact on the Group's consolidated financial statements.

2/3) New and amended standards not yet effective, but available for early adoption

The below new and amended International Financial Reporting Standards ("IFRS" or "standards") that are available for early adoption for financial years ending 31 December 2017 are not effective until a later period, and they have not been applied in preparing these consolidated financial statements.

Adoption expected to impact the Group's consolidated financial statements.

- **IFRS 9 "Financial Instruments" (Effective for year ended 31 December 2018)**

IFRS 9 published in July 2014, replaces the existing IAS 39 Financial Instruments: Recognition and Measurement. IFRS 9 includes revised guidance on the classification and measurement of financial instruments, including a new expected credit loss model for calculating impairment on financial assets, and the new general hedge accounting requirements. It also carries forward the guidance on recognition and derecognition of financial instruments from IAS 39. IFRS 9 is effective for annual reporting periods beginning on or after 1 January 2018.

- **IFRS 15 "Revenue from Contracts with Customers" (Effective for year ended 31 December 2018)**

IFRS 15 provides a single, principles based five-step model to be applied to all contracts with customers.

The five steps in the model are as follows:

- Identify the contract with the customer
- Identify the performance obligations in the contract
- Determine the transaction price
- Allocate the transaction price to the performance obligations in the contracts
- Recognise revenue when (or as) the entity satisfies a performance obligation.

3 NEW STANDARDS, INTERPRETATION AND AMENDMENTS (CONTINUED)

2/3) New and amended standards not yet effective, but available for early adoption (Continued)

Adoption not expected to impact the Group's consolidated financial statements

Effective date	Description
January 1, 2018	• Amendments to IFRS 2 "on classification and measurement of share based payment transactions". • Amendments to IAS 40 "Investment Properties". • IFRIC 22 "Foreign Currency Transactions and Advance Considerations".
January 1,2019	• IFRS 16 "Leases". • Amendments to IAS 28 "Investment in Associates and Joint ventures". • Amendments resulting from annual Improvements to IFRS Standards 2015–2017 Cycle.
January 1, 2021	• IFRS 17 Insurance Contracts
Effective date to be determined	• Amendments to IFRS 10 and IAS 28" on sale or contribution of assets between an investor and its associate or joint venture"

4 SIGNIFICANT ACCOUNTING POLICIES

Property and equipment

Property and equipment are stated at cost, net of accumulated depreciation and/or impairment losses, if any. When significant parts of property and equipment are required to be replaced in intervals, the Group recognizes such parts as individual assets with specific useful lives and depreciation, respectively. All other repair and maintenance costs are recognised in the statement of income as incurred.
Depreciation is calculated on a straight-line basis over the estimated useful lives of the assets as follows:

• Furniture and fixtures	5 years
• Computers, software and office equipment	3 to 5 years
• Leasehold improvements	5 years
• Motor vehicles	5 years

4 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Property and equipment (Continued)

The carrying values of property and equipment are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable. If any such indication exists and where the carrying values exceed the estimated recoverable amount, the assets are written down to their recoverable amount, being the higher of their fair value less costs to sell and their value in use.

An item of property and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset calculated as the difference between the net disposal proceeds and the carrying amount of the asset is included in the income statement when the asset is derecognised.

The assets' residual values, useful lives and methods of depreciation are reviewed at each financial year end, and adjusted prospectively, if appropriate

Investment properties

Investment properties are measured initially at cost, including transaction costs. Subsequently to initial recognition, investment properties are state at fair value, which reflects market conditions at the reporting date. Gains or losses arising from changes in the fair values of investment properties are included in profit or loss in the period in which they arise. Fair values are determined based on an annual evaluation performed by an accredited external independent valuer.

Investment properties are derecognised either when they have been disposed of or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognised in profit or loss in the period of derecognition.

Impairment of non-financial assets

The Group assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or CGU's fair value less costs of disposal and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets.

Impairment losses of continuing operations are recognised in the consolidated statement of profit or loss in expense categories consistent with the function of the impaired asset, except for properties previously revalued with the revaluation taken to OCI. For such properties, the impairment is recognised in OCI up to the amount of any previous revaluation.

For assets excluding goodwill, an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Group estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the consolidated statement of profit or loss unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.

4 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial instruments – initial recognition and subsequent measurement
A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

i) Financial assets

Financial assets are classified, at initial recognition, as financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments, AFS financial assets, as appropriate. All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Group commits to purchase or sell the asset.

Subsequent measurement

Loans and receivables
This category is the most relevant to the Group. Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial measurement, such financial assets are subsequently measured at amortised cost, less impairment. The amortisation is included in finance income in the consolidated statement of profit or loss. The losses arising from impairment are recognised in the consolidated statement of profit or loss.

This category generally applies to accounts receivable, related party receivables, other receivables, and interest receivable. Trade and other receivables and non-current deposits.

Available-for-sale financial assets

Available-for-sale financial assets are recognised and derecognised, on a trade date basis, when the Group becomes, or ceases to be, a party to the contractual provisions of the instrument.

Investments designated as available-for-sale financial assets are initially recorded at cost and subsequently measured at fair value, unless this cannot be reliably measured. Changes in fair value are reported as a separate component of equity through other comprehensive income. Upon impairment any loss, or upon derecognition any gain or loss, previously reported as "fair value reserve" within equity is included in the statement of income for the year.

Derecognition

A financial asset is primarily derecognised when:

- The rights to receive cash flows from the asset have expired Or
- The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, to the extent of its continuing involvement. In that case, the Group also recognizes an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

4 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial instruments – initial recognition and subsequent measurement (Continued)

i) Financial assets (continued)

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

Impairment of financial assets

The Group assesses, at each reporting date, whether there is objective evidence that a financial asset or a group of financial assets is impaired. An impairment exists if one or more events that has occurred since the initial recognition of the asset (an incurred 'loss event'), has an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated. Evidence of impairment may include indications that the debtors or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganisation and observable data indicating that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

For the purposes of the statement of cash flows, Bank balances consist of balances with banks and short term deposits with original maturity of less than three months.

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. When the Group expects some or all of a provision to be reimbursed, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the consolidated statement of profit or loss net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Employees' end of service benefits

The Group provides end of service benefits to its expatriate employees. The entitlement to these benefits is based upon the employees' final salary and length of service, subject to the completion of a minimum service period. The expected costs of these benefits are accrued over the period of employment.

The Group also provides for its contribution to the State administered retirement fund for Qatari employees in accordance with the retirement law, and the resulting charge is included within the staff cost in the statement of income. The Group has no further payment obligations once the contributions have been paid. The contributions are recognised when they are due.

Foreign currencies

Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the end of the reporting period. All differences are taken to the statement of income.

4 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial instruments – initial recognition and subsequent measurement (Continued)

ii) Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as due to customers, accrued expenses or other credit balances, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of payables, net of directly attributable transaction costs.

The Group's financial liabilities include due to customers, accrued expenses or other credit balances.

Recognition financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in the statement of income.

Current versus non-current classification

The Group presents assets and liabilities based on current/non-current classification. An asset as current when it is:

- Expected to be realised or intended to sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or
- Cash and cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

The Group classifies all other assets as non-current

A liability is current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

  The Group classifies all other liabilities as non-current.

Fair value measurement

The Group measures financial instruments at fair value at each balance sheet date.

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. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability or,
- In the absence of a principal market, in the most advantageous market for the asset or liability

4 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial instruments – initial recognition and subsequent measurement (Continued)

ii) Financial liabilities (continued)

Fair value measurement (continued)

The principal or the most advantageous market must be accessible by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements at fair value on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured, regardless of when the payment is received. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duty.

The specific recognition criteria described below must also be met before revenue is recognised:

Commission and brokerage income is recognised on completion of selling or purchasing transaction and the right to receive income is retained.

Dividend income is recognised when the right to receive the dividend is established.

Profit from Islamic deposits recognised upon the profit maturity.

5 BANK BALANCES

	December 31,	
	2017	2016
	QR	QR
Bank balances :		
Current Accounts	5,885	--
Saving Accounts	5,521,438	130,189,069
Term deposits	108,843,880	--
Total	**114,371,203**	**130,189,069**

6 BANK BALANCES – CUSTOMERS' FUNDS

Represent bank balances for the customers, which the Group holds in trust until the customers commit those funds to the purchase of shares, following which the Group transfers the committed funds to the Group's bank accounts and settles the same to the Authority which carry out the settlement.

7 PREPAYMENTS AND OTHER DEBIT BALANCES

	December 31,	
	2017	2016
	QR	QR
Refundable deposits	2,000,250	2,000,250
Prepaid expenses	418,619	665,660
Accrued revenue	695,716	--
Notes receivable	429,000	--
Other assets	82,389	58,450
Total	**3,625,974**	**2,724,360**

8 INVESTMENT PROPERTIES

	December 31,	
	2017	2016
	QR	QR
At 1, January	8,934,858	8,412,907
Additions during the year	--	55,745
(loss) / profit from revaluation of investment properties	(298,502)	466,206
At December 31	**8,636,356**	**8,934,858**

(A) Real estate investments are located in the State of Qatar.

(B) The fair value of investment properties is measured on the basis of valuation by an authorized Independent property appraiser and property valuation specialists and similar activities. The fair value of the land is determined by reference to the market and the fair value of the buildings is determined based on the recent transaction prices of similar properties. In assessing the fair value of properties, the current use of real estate is the lowest and best use. Real estate investments are included in Level 2 of the fair value hierarchy.

During the year ended 31 December 2017 and 2016, no transfers were made in fair value measurements between Level 1 and Level 2.

9 AVAILABLE FOR SALE FINANCIAL ASSETS

Available for sale financial assets include the following

	December 31,	
	2017	2016
	QR	QR
Investments in listed local companies (a)	3,958,500	--
Investments in unlisted local companies (b)	3,287,986	3,287,986
Total	**7,246,486**	**3,287,986**

(A) Movements on Investments in listed local companies:

	December 31,	
	2017	2016
	QR	QR
Balance at 1, January	--	--
Purchase during the year	5,530,697	--
Disposal during the year	(1,083,071)	--
Gain on sale of available-for-sale financial assets	65,858	--
Change in fair value	(554,984)	--
Balance	**3,958,500**	--

(B) Equity securities represents investment made in privately held company in the state of Qatar. This investment is recorded at cost since the fair value cannot be reliably measured. Management believes that the balance is not impaired as at December 31, 2017 and 2016 based on the latest available information

10 PROPERTY AND EQUIPMENT

	Computers, software and office equipment	Furniture and fixtures	Leasehold improvements	Motor vehicles	Total
	QR	QR	QR	QR	QR
Cost:					
As at 1 January 2017	8,766,970	672,973	2,013,671	72,777	11,526,391
Additions	189,696	-	-	-	189,696
As at 31 December 2017	**8,956,666**	**672,973**	**2,013,671**	**72,777**	**11,716,087**
Accumulated Depreciation:					
As at 1 January 2017	8,248,470	665,219	1,559,668	72,775	10,546,132
Charge for the year	201,842	3,495	143,467	--	348,804
As at 31 December 2017	**8,450,312**	**668,714**	**1,703,135**	**72,775**	**10,894,936**
Net book value:					
As at 31 December 2017	**506,354**	**4,259**	**310,536**	**2**	**821,151**

	Computers, software and office equipment	Furniture and fixtures	Leasehold improvements	Motor vehicles	Total
	QR	QR	QR	QR	QR
Cost:					
As at 1 January 2016	**8,382,561**	**672,973**	**2,000,641**	**72,777**	**11,128,952**
Additions	384,409	--	13,030	--	397,439
As at 31 December 2016	**8,766,970**	**672,973**	**2,013,671**	**72,777**	**11,526,391**
Accumulated Depreciation:					
As at 1 January 2016	**8,093,843**	**660,724**	**1,414,311**	**63,793**	**10,232,671**
Charge for the year	154,627	4,495	145,357	8,982	313,461
As at 31 December 2016	**8,248,470**	**665,219**	**1,559,668**	**72,775**	**10,546,132**
Net book value:					
As at 31 December 2016	**518,500**	**7,754**	**454,003**	**2**	**980,259**

11 ACCRUED EXPENSES AND OTHER CREDIT BALANCES

	December 31,	
	2017	2016
	QR	QR
Dividend payable	1,587,705	1,247,794
Payable to shareholders from sale of shares	258,993	258,993
Accrued expenses	126,504	185,512
Notes payable	--	107,039
Due to shareholders from subscription surplus	40,205	40,311
Provision for sport and social activities contribution (Note 20)	--	102,651
Un-earned revenue	420,292	--
Other payables	130,840	89,068
Total	**2,564,539**	**2,031,368**

12 EMPLOYEES' END OF SERVICE BENEFITS

	December 31,	
	2017	2016
	QR	QR
Provision as at 1 January	1,318,309	1,164,229
Provided during the year (Note 17)	166,623	154,080
Paid during the year	(208,963)	--
Provision as at December 31	**1,275,969**	**1,318,309**

13 SHARE CAPITAL

	December 31,	
	2017	2016
	QR	QR
Authorised and paid up 5,663,581 shares with a nominal value of QR 10 per share (31 December 2016: 5,663,581 shares with value of QR 10 per share)	**56,635,810**	**56,635,810**

During the year 2016, the group has increased the authorised capital from 4,000,000 shares to 5,663,581 shares after completing subscription in the right issue process and amending the commercial register.

At the shareholders meeting on 15 March 2015, the Board of Directors proposed a 50% increase in the Company's capital and increase the total number of shares to 6,000,000 shares. At the meeting held on May 4, 2015, the share price was determined by the Board of Directors based on a fair value study conducted by an independent valuer of QR10 per unit plus QR40 issued premium. As a result of the rights issue in 2016, the capital increased by QR 16,635,810 to 1,663,581 shares to be 5,663,581 shares. The issue premium was QR 66,142,115 and was included in the statutory reserve in accordance with the Companies Law No. 11 for the year 2015.

14 LEGAL RESERVE

In accordance with the provisions of Qatar Commercial Companies' Law No. 11 of 2015 and the Articles of Association of the Company, 10% of the Company's annual net profit should be transferred to the statutory reserve each year until the statutory reserve equals 50% of the paid-up share capital. The legal reserve is not available for distribution except in the cases stipulated in the Commercial Companies Law above.

Where the reserve has exceeded 50% of the capital, the management has decided not to transfer any amounts to the statutory reserve balance as at 31 December 2017.

15 DIVIDENDS

The Annual General Assembly Meeting of the Company that was held on 20 February 2017 approved QR 1 per share totalling to QR 5,663,581 as cash dividends relating to 2016.

The Annual General Assembly Meeting of the Company that was held on 16 February 2016 approved QR 1.5 per share totalling to QR 6,000,000 as cash dividends relating to 2015.

16 BROKERAGE AND COMMISSION EXPENSE

	Year Ended December 31,	
	2017	2016
	QR	QR
Commission paid to Qatar Central Securities Depository (QCSD)	**2,018,316**	**4,780,695**

17 GENERAL AND ADMINISTRATIVE EXPENSES

	Year Ended December 31,	
	2017	2016
	QR	QR
Staff costs	3,625,002	3,699,129
Rent	1,703,491	1,725,942
Telephone and postage	600,297	588,899
Repair and maintenance	363,504	554,165
Brokerage fees	478,681	367,200
Professional fees	248,000	327,500
Annual leave	165,182	175,295
Provision for employees' end of service benefits (Note 12)	166,623	154,080
Advertising and marketing expense	65,709	113,456
Air tickets	120,235	100,695
Government fees	86,577	44,597
Stationery and printings	11,695	24,505
Vehicles expenses	11,992	7,983
Miscellaneous expenses	273,797	291,305
	7,920,785	**8,174,751**

18 BASIC AND DILUTED EARNINGS PER SHARE

Basic and diluted earnings per share are calculated by dividing profit / loss for the year by the weighted average number of ordinary shares outstanding during the year as follows:

	December 31,	
	2017	2016
	QR	QR
(loss) / profit for the year (QR)	(530,374)	4,106,060
Weighted average number of shares	5,663,581	5,663,581
Basic and diluted (loss) earnings per share (QR)	**(0.09)**	**0.72**

There were no potentially dilutive shares outstanding at any time during the year and therefore, the diluted (loss) earnings per share is equal to the basic earnings per share.

19 CONTINGENT LIABILITIES

	December 31,	
	2017	2016
	QR	QR
Letters of guarantee	**125,000,000**	**125,000,000**

20 CONTRIBUTION TO SOCIAL AND SPORTS FUND

According to Qatari Law No. 13 of 2008 and the related clarifications issued in January 2010, the Group is required to contribute 2.5% of its consolidated annual net profits to the state social and sports fund. The clarification relating to Law No. 13 requires the payable amount to be recognised as a distribution of income. Hence, this is recognised in the consolidated statement of changes in equity.

During the year, the Group did not allocate any amount to contribute to the Social and Sports Activities Fund due to the lack of profits for the year (2016: QR 102,651 representing 2.5% of the consolidated net profit for the year).

21 RELATED PARTIES TRANSACTIONS

Related parties represent major shareholders, directors and key management personnel of the Group and entities controlled, jointly controlled or significantly influenced by those parties.

Transactions with related parties included in the consolidated statement of income are as follows:

	December 31,	
	2017	2016
	QR	QR
Income from saving accounts and deposits with Islamic banks	1,846,608	1,766,080
Brokerage and commission income, net	1,206,392	5,849,448
Returned commissions	801,659	2,920,158

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

	December 31,	
	2017	2016
	QR	QR
Bank balances – customers' funds	51,945,037	214,345,334
Bank Balances – Group fund	114,370,690	56,547,833

Key management remuneration

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

	December 31,	
	2017	2016
	QR	QR
Short term benefits and remuneration of board of directors	1,350,400	1,371,600

22 FINANCIAL RISK MANAGEMENT

The Group is exposed to market risk, credit risk and liquidity risk. The Group's management oversees the management of these risks. All activities for risk management purposes are carried out by specialist teams that have the appropriate skills, experience and supervision.

The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised below.

22 FINANCIAL RISK MANAGEMENT (CONTINUED)

Market risk

Market risk is the risk that changes in market prices, such as interest rates and foreign currency exchange rates 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 The Group is not exposed to foreign currencies risk as the Group has no foreign currency balances. Also, the Group is not exposed to interest rate risk, as it does not have floating rate instruments.

Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Group is exposed to credit risk` on its bank balances – customer funds, due from Qatar Exchange and certain other assets as reflected in the 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. The Group provides brokerage services to a large number of customers and no single customer accounts for more than 10% of the outstanding receivables.

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

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

	December 31,	
	2017	**2016**
	QR	***QR***
Bank balances (Note 5)	114,371,203	130,189,069
Bank balances - customer funds (Note 6)	51,996,217	214,345,334
Due from Qatar Central Securities Depository (QCSD)	13,514,804	8,235,491
Other assets (Note 7)	82,389	58,450
	179,964,613	**352,828,344**

22 FINANCIAL RISK MANAGEMENT (CONTINUED)

Liquidity risk

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

The table below summarises the maturities of the Group's undiscounted financial liabilities at 31 December 2017, based on contractual payment dates and current market interest rates.

At 31 December 2017	*On demand QR*	*Less than 1 year QR*	*Total QR*
Due to customers	60,358,147	--	**60,358,147**
Accrued expenses and other credit balances	--	2,564,539	**2,564,539**
Total	**60,358,147**	**2,564,539**	**62,922,686**

At 31 December 2016	*On demand QR*	*Less than 1 year QR*	*Total QR*
Due to customers	222,585,205	-	**222,585,205**
Accrued expenses and other credit balances	-	2,031,368	**2,031,368**
Total	**222,585,205**	**2,031,368**	**224,616,573**

Capital management

The Group manages its capital structure and no adjustments were made, in light of changes in economic and business conditions and shareholders' expectation. No changes were made in the objectives, policies or processes during the years ended 31 December 2017 and 31 December 2016. Capital comprises share capital, legal reserve and retained earnings, and is measured at QR 136,013,635 at 31 December 2017 (31 December 2016: QR 142,762,475).

23 FINANCIAL INSTRUMENTS

Fair value hierarchy

The Group uses the following hierarchy for determining and disclosing the fair value of financial investments 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; and

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

23 FINANCIAL INSTRUMENTS (CONTINUED)

For financial instruments that are recognised at fair value on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

As at 31 December 2017, the Group held the following financial instruments measured at fair value:

	Fair value	Level 1	Level 2	Level 3
31 December 2017	**QR**	**QR**	**QR**	**QR**
Available for sale financial assets	**7,246,486**	**3,958,500**	**--**	**3,287,986**
Investment properties	**8,636,356**	**--**	**--**	**8,636,356**

	Fair value	Level 1	Level 2	Level 3
31 December 2016	**QR**	**QR**	**QR**	**QR**
Available for sale financial assets	**3,287,986**	**--**	**--**	**3,287,986**
Investment properties	**8,934,858**	**--**	**--**	**8,934,858**

During the period ended 31 December 2017, 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.

24 SEGMENT INFORMATION

For management purposes, the Group is organized into business units based on their nature of activities and has nine reportable segments and other activities. The nine reportable segments are as follows:

- Brokerage – this segment includes financial brokerage services provided to customers;
- Real Estate – this segment includes providing property management, marketing and sales services for real estate
- Others – represents the Holding Company, which provides corporate services to the subsidiaries in the Group.

Management monitors the operating results of the operating segments separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profit or loss. Transfer pricing between operating segments are on arm's length basis in a manner similar to transactions with third parties.

24 SEGMENT INFORMATION (CONTINUED)

For the year ended December 31, 2017	Brokerage Service	Real estate	Other	Total	Adjustments and eliminations	Consolidated
	QR	QR	QR	QR	QR	QR
Net brokerage and commission income	5,146,947	--	--	**5,146,947**	--	**5,146,947**
Others	1,293,945	1,115,412	982,527	**3,391,884**	(272,023)	**3,119,861**
Segment revenue	**6,440,892**	**1,115,412**	**982,527**	**8,538,831**	**(272,023)**	**8,266,808**
Segment profit / loss	**(327,014)**	**592,456**	**(589,621)**	**(324,179)**	**(206,195)**	**(530,374)**
Depreciation	**307,695**	**--**	**41,109**	**348,804**	**--**	**348,804**

For the year ended December 31, 2016	Brokerage Service	Real estate	Other	Total	Adjustments and eliminations	Consolidated
	QR	QR	QR	QR	QR	QR
Net brokerage and commission income						
Income from sales of investment properties	10,588,834	--	--	**10,588,834**	**--**	**10,588,834**
Others	450,615	1,187,583	5,195,660	**6,833,858**	**(4,601,572)**	**2,232,286**
Segment revenue	11,039,449	1,187,583	5,195,660	**17,422,692**	**(4,601,572)**	**12,821,120**
Segment profit	**3,611,363**	**939,641**	**3,650,960**	**8,201,964**	**(4,095,904)**	**4,106,060**
Depreciation	**275,469**	**--**	**37,992**	**313,461**	**--**	**313,461**

24 SEGMENT INFORMATION (CONTIUNED)

The following table presents the segment assets and liabilities:

At 31 December 2017	Brokerage Service	Real estate	Other	Total	Adjustments and eliminations	Consolidated
	QR	QR	QR	QR	QR	QR
Segment assets	115,600,233	51,420,475	133,463,506	300,484,214	(100,272,023)	200,212,191
Segment liabilities	61,617,373	490,266	2,156,844	64,264,483	(65,828)	64,198,655

At 31 December 2016	Brokerage Service	Real estate	Other	Total	Adjustments and eliminations	Consolidated
	QR	QR	QR	QR	QR	QR
Segment assets	283,089,793	51,302,835	139,467,701	473,860,329	(105,162,972)	368,697,357
Segment liabilities	224,974,708	119,405	1,908,319	227,002,432	(1,067,550)	225,934,882

The Group's operations are located in the State of Qatar.

25 SIGNIFICANT ASSUMPTIONS, ESTIMATES AND JUDGMENTS

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

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.

Classification of investment securities
On acquisition of an investment security, the Group decides whether it should be classified as "investments at fair value through profit or loss" or "available-for-sale". The Group follows the guidance of IAS 39 on classifying its investments. The Group classifies investments as "at fair value through profit or loss" if they are acquired primarily for the purpose of short term profit making and cash generation. All other investments are classified as "available-for-sale". The Group accounts for investments in equity securities as investment in associate only when significant influence over the investee's operations can be proved to exercise, else and regardless of the ownership share, the investment is classified as available-for-sale

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

Valuation of property
Investment properties are stated at fair value. The Group used external, independent evaluators to determine the fair value of the investment properties. The independent evaluator uses the market situations, estimated yield and expected future cash flows and the recent real estate transactions with similar characteristics and location of properties for the valuation of investment properties.

26 COMPARATIVE FIGURES

Comparative figures for the previous year have been reclassified, where appropriate, to conform with the presentation of the financial statements for the current period. This reclassification has no impact on previously reported net profit or equity