MANNAI CORPORATION Q.S.C.
DOHA - QATAR

CONSOLIDATED FINANCIAL STATEMENTS
AND INDEPENDENT AUDITOR'S REPORT
FOR THE YEAR ENDED DECEMBER 31, 2015

MANNAI CORPORATION Q.S.C.

CONSOLIDATED FINANCIAL STATEMENTS AND INDEPENDENT AUDITOR'S REPORT

For the year ended December 31, 2015

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DIRECTOR AND GROUP CHIEF EXECUTIVE OFFICER'S REPORT

2015 was an outstanding year for our Qatar businesses, recording an increase in profits of 120% over the previous year. While on the surface it would appear that 2015 was marginally ahead in terms of the Group prior year's net profit, the reality is that the growth in operating earnings was substantially greater when taking into account that we did not have the same level of 'one off' recoveries from Damas restructuring activities which concluded in 2014.

While the whole year was positive, we did face challenges in our overseas businesses but being a diversified conglomerate, ensured continued stability in our earnings, which is a key strength of Mannai.

The ICT business once again delivered a record breaking performance by its outstanding position as Qatar's leading systems integrator that has built upon its reputation of trust and quality to successfully serve the IT needs of its diverse range of corporate and government customers. The business is ideally positioned to provide the highest quality solutions to its customers throughout the entire technology stack.

Gulf Laboratories which offers drilling and ground investigations services along with laboratory and environmental testing services had the best year in its history.

Energy & Industrial division performed well again due to the many infrastructure projects it has in its portfolio of works and by securing a major share of the strategic Water Mega Reservoirs project in Qatar. Following the continuous successful business between Mannai & Saint Gobain Pam, both companies have agreed to further strengthen their activities in Qatar, and have established the "first of its kind" distribution platform in Qatar under the name of "Saint Gobain Pam & Mannai LLC". This platform will ensure the immediate availability of ductile iron pipes, fittings and valves in Qatar to service our clients' needs.

Heavy Equipment division grew its market share achieving greater profitability. New vehicle sales were buoyant as our new Cadillacs and GMCs flew out of our showrooms, proving that the new models are truly aesthetically desirable.

Internationally, Damas witnessed a slowdown in business due to the challenges in the retail market in the GCC. It was most affected by a lack of high end customers visiting Dubai.

Axiom also faced significant challenges due to the retail slowdown in the UAE along with handset manufacturers reducing the margin available to its distributors. However, the company is on track to execute its strategic initiatives which should produce a significant improvement in its earnings.

PERFORMANCE

The Group delivered another year of record profits:

- Group Turnover: QR 5.9 Billion.
- Net Profit for the year: QR 528 Million.
- The Group's overseas operations contributed 43% of the overall profit of the Group.
- Return on Equity is 24%.
- Earnings per Share: QR 11.68

DIVERSITY OF BUSINESSES

Mannai Corporation is a conglomerate operating within a single set of values that we call the "Mannai Way". We work with an array of leading globally recognised brands and international partners.

Our diverse range of trading, retail and service businesses deal with customers in the Oil & Gas industry, the Commercial and Government sector, as well as retail client's throughout the GCC and Turkey. We aim to continue to provide a platform for future profitable growth, listening and responding to changing needs of our customers and clients while staying true to our core values of quality, value, service and trust.

FUTURE OUTLOOK

Mannai is on course to acquire 51% of GFI Informatique, a French Public Listed company. The acquisition will be concluded once all regulatory approvals have been obtained. GFI is a leading IT services provider with operations in France, Spain, Portugal, Morocco and Northern Europe. The Company has long term relationships with leading French multinationals and offers Consulting, Application and Infrastructure services, Enterprise and Software Solutions. This acquisition will significantly diversify Mannai's International footprint and further broaden our earnings base.

We remain cautiously optimistic that Mannai will continue to maintain an active role in the planned infrastructure developments in Qatar.

Although the economic outlook is challenging in the near term, we remain committed to continuing our unbroken record of growth as a Public Company and delivering positive results for our shareholders.

Alekh Grewal
Director & Group Chief Executive Officer

Deloitte.

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QR. 31230

INDEPENDENT AUDITOR'S REPORT

The Shareholders
Mannai Corporation Q.S.C.

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of Mannai Corporation 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, 2015 and the consolidated statements of 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 provisions of the Qatar 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.

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 consolidated financial statements are free from material misstatement.

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

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

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

Opinion

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of Mannai Corporation Q.S.C and its subsidiaries as at December 31, 2015 and its financial performance and its 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 and the Company's Bylaws were committed during the year which would materially affect the Group's activities or its financial position. As explained in note 3 to the consolidated financial statements, a new Qatar Commercial Law was issued on July 7, 2015. The Company is in the process of assessing its compliance with the new Qatar Commercial Companies' Law.

Doha – Qatar
February 24, 2016

For **Deloitte & Touche**
Qatar Branch

Muhammad Bahemia
Partner
License No. 103

MANNAI CORPORATION Q.S.C.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at December 31, 2015

	Notes	2015 QR '000	2014 QR '000
ASSETS			
Current assets			
Bank balances and cash	5	**150,302**	114,263
Accounts receivable and prepayments	6	**1,008,425**	1,014,847
Amounts due from related parties	25(b)	**36,448**	34,574
Inventories	7	**2,631,197**	2,585,410
Total current assets		**3,826,372**	3,749,094
Non-current assets			
Accounts receivable and prepayments	6	**35,740**	36,021
Amounts due from related parties	25(b)	**16,646**	20,599
Available for sale investments	8	**43,688**	42,947
Investment in joint venture companies	9	**24,128**	18,306
Investment in associate companies	10	**1,187,660**	1,177,040
Goodwill and other intangible assets	11	**1,210,727**	1,201,157
Property, plant and equipment	12	**411,132**	399,581
Investment properties	13	**103,567**	115,836
Total non-current assets		**3,033,288**	3,011,487
Total assets		**6,859,660**	6,760,581

MANNAI CORPORATION Q.S.C.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at December 31, 2015

	Notes	2015 QR '000	2014 QR '000
LIABILITIES AND EQUITY			
Liabilities			
Current liabilities			
Bank overdrafts	5	**288,519**	348,362
Interest bearing loans and borrowings	15	**998,334**	1,877,653
Amounts due to related parties	25(b)	**1,041**	6,481
Accounts payable and accruals	16	**1,535,239**	1,489,833
Total current liabilities		**2,823,133**	3,722,329
Non-current liabilities			
Interest bearing loans and borrowings	15	**1,498,400**	741,599
Accounts payable and accruals	16	**17,393**	31,217
Employees' end of service benefits	17	**112,312**	99,258
Total non-current liabilities		**1,628,105**	872,074
Total liabilities		**4,451,238**	4,594,403
Equity			
Share capital	18	**456,192**	456,192
Legal reserve	19(a)	**1,083,456**	1,083,456
Revaluation reserve		**4,630**	4,630
Foreign currency translation reserve		**(13,994)**	(9,539)
Proposed dividends	20	**228,096**	273,715
Retained earnings		**1,238,093**	940,987
Acquisition reserve	19(b)	**(588,058)**	(588,058)
Equity attributable to shareholders of the Company		**2,408,415**	2,161,383
Non-controlling interests		**7**	4,795
Total equity		**2,408,422**	2,166,178
Total liabilities and equity		**6,859,660**	6,760,581

These consolidated financial statements were approved by the Board of Directors and authorised for issue on February 24, 2016.

Sheikh Suhaim Bin Abdulla Al-Thani
Vice Chairman

Alekh Grewal
Director and Group Chief Executive Officer

MANNAI CORPORATION Q.S.C.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the year ended December 31, 2015

	Notes	2015	2014
		QR '000	QR '000
Revenue		**5,934,633**	5,939,941
Direct costs		**(4,592,758)**	(4,734,201)
Gross profit		**1,341,875**	1,205,740
Other income	22	**150,530**	362,216
Share of results of joint ventures and associates - net	9&10	**55,429**	13,884
General and administrative expenses	23	**(432,740)**	(470,456)
Selling and distribution expenses		**(391,489)**	(400,650)
Profit before interest, depreciation and amortisation		**723,605**	710,734
Finance costs		**(94,747)**	(90,141)
Depreciation and amortisation	11,12&13	**(97,182)**	(88,594)
Profit from continuing operations before tax		**531,676**	531,999
Income tax		**(3,461)**	(3,794)
Profit from continuing operations after tax		**528,215**	528,205
Loss from discontinued operation	14	--	(1,401)
Net profit for the year		**528,215**	526,804
Attributable to :			
Shareholders of the Company		**532,781**	526,427
Non-controlling interests		**(4,566)**	377
		528,215	526,804
Earnings per share:			
Basic and diluted earnings per share attributable to shareholders of the Company (QR)	24	**11.68**	11.54
Basic and diluted earnings per share from continuing operations attributable to shareholders of the Company (QR)	24	**11.68**	11.57

MANNAI CORPORATION Q.S.C.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended December 31, 2015

	2015 QR '000	2014 QR '000
Net profit for the year	**528,215**	526,804
Other comprehensive loss		
Items that may be reclassified subsequently to statement of profit or loss:		
Foreign currency translation reserve		
Foreign currency translation adjustment	**(4,455)**	(4,156)
Total other comprehensive loss for the year	**(4,455)**	(4,156)
Total comprehensive income for the year	**523,760**	522,648
Attributable to:		
Shareholders of the Company	**528,326**	522,271
Non-controlling interests	**(4,566)**	377
	523,760	522,648

MANNAI CORPORATION Q.S.C.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended December 31, 2015

	Share capital QR '000	Legal reserve QR '000	Revaluation reserve QR '000	Foreign currency translation reserve QR '000	Proposed dividends QR '000	Acquisition reserve QR '000	Retained earnings QR '000	Equity attributable to shareholders of the Company QR '000	Non-controlling interests QR '000	Total QR '000
Balance – January 1, 2014	456,192	1,083,456	4,630	(5,383)	250,906	(283,820)	691,714	2,197,695	253,705	2,451,400
Total comprehensive income for the year	--	--	--	(4,156)	--	--	526,427	522,271	377	522,648
Dividends paid (Note 20)	--	--	--	--	(250,906)	--	--	(250,906)	(6,698)	(257,604)
Acquisition of additional non-controlling interests (Note 19 (b))	--	--	--	--	--	(304,238)	--	(304,238)	(242,137)	(546,375)
Proposed dividend (Note 20)	--	--	--	--	273,715	--	(273,715)	--	--	--
Withdrawal of non-controlling interests	--	--	--	--	--	--	--	--	(452)	(452)
Social and sports contribution for 2014	--	--	--	--	--	--	(3,439)	(3,439)	--	(3,439)
Balance – December 31, 2014	456,192	1,083,456	4,630	(9,539)	273,715	(588,058)	940,987	2,161,383	4,795	2,166,178
Total comprehensive income for the year	--	--	--	(4,455)	--	--	532,781	528,326	(4,566)	523,760
Dividends paid (Note 20)	--	--	--	--	(273,715)	--	--	(273,715)	--	(273,715)
Proposed dividend (Note 20)	--	--	--	--	228,096	--	(228,096)	--	--	--
Withdrawal/ disposal of non-controlling interests	--	--	--	--	--	--	--	--	(222)	(222)
Social and sports contribution for 2015	--	--	--	--	--	--	(7,579)	(7,579)	--	(7,579)
Balance – December 31, 2015	**456,192**	**1,083,456**	**4,630**	**(13,994)**	**228,096**	**(588,058)**	**1,238,093**	**2,408,415**	**7**	**2,408,422**

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

MANNAI CORPORATION Q.S.C.

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended December 31, 2015

	2015 QR '000	2014 QR '000
OPERATING ACTIVITIES		
Profit from continuing operations before tax	**531,676**	531,999
Loss from discontinued operation	--	(1,401)
Profit for the year before tax	**531,676**	530,598
Adjustments for:		
Depreciation and amortization	**97,182**	88,594
Write-off/ impairment of property, plant and equipment	**10,888**	16,342
Impairment loss on accounts receivables, net	**1,188**	535
Impairment on available for sale investment, associates and joint ventures	**1,334**	29,352
Reversal of impairment on other receivable	--	(301,236)
Reversal of impairment allowances on Joint-venture	**(4,944)**	--
Impairment loss on other receivable	--	603
Provision for obsolete and slow moving items, net	**3,239**	60,306
Gain on disposals of property, plant and equipment	**(2,118)**	(3,257)
Gain on disposals of Investment property	**(39,749)**	(9,010)
Gain on disposal of non-current assets classified as held for sale	--	(12,459)
Finance costs	**94,747**	90,141
Unrealised treasury gain	**(17,954)**	--
Share of results from joint ventures and associates	**(55,429)**	(13,884)
Provision for employees' end of service benefits	**24,848**	21,886
Operating profit before working capital changes	**644,908**	498,511
Working capital changes:		
Accounts receivables and prepayments	**24,582**	69,906
Inventories	**(49,026)**	(143,817)
Amounts due from/ to related parties	**(3,361)**	50,635
Accounts payable and accruals	**21,149**	(441,385)
Movement in assets and liabilities held for sale	--	1,401
Cash from operations	**638,252**	35,251
Finance costs paid	**(95,380)**	(91,111)
Employees' end of service benefits paid	**(11,853)**	(8,870)
Social and sports contribution paid	**(3,439)**	(4,359)
Net cash generated/ (used in) from operating activities	**527,580**	(69,089)
INVESTING ACTIVITIES		
Purchases of property, plant and equipment	**(132,867)**	(137,310)
Purchases of investment property	**(891)**	--
Addition to intangible assets	**(5,372)**	(803)
Proceeds from disposal of property, plant and equipment	**16,577**	26,507
Proceeds from disposal of investment property	**46,346**	12,313
Acquisition of available for sale of investment	**(2,075)**	(8,279)
Proceeds from disposal of non-current assets classified as held for sale	--	28,164
Acquisition of investment in joint venture company	**(2,550)**	(102)
Dividend received from joint ventures and associates	**46,480**	79,220
Acquisition of further shares in a subsidiary	--	(546,375)
Net cash used in investing activities	**(34,352)**	(546,665)

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

MANNAI CORPORATION Q.S.C.

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended December 31, 2015

	2015 QR '000	2014 QR '000
FINANCING ACTIVITIES		
Net movements in interest bearing loans and borrowings	**(122,518)**	783,117
Dividend paid	**(273,715)**	(250,906)
Net cash (used in)/ generated from financing activities	**(396,233)**	532,211
NET INCREASE/ (DECREASE) IN CASH AND CASH EQUIVALENTS	**96,995**	(83,543)
Cash and cash equivalents at the beginning of the year	**(242,903)**	(159,360)
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR (NOTE 5)	**(145,908)**	(242,903)

1. CORPORATE INFORMATION

Mannai Corporation Q.S.C. (the "Company") is registered as a Qatari Shareholding Company in the State of Qatar with the Ministry of Economy and Commerce under Commercial Registration Number 12. The registered office of the Company is situated in Doha, State of Qatar. The Company is listed on the Qatar Stock Exchange.

The core activities of the Company and its subsidiaries (together referred to as the "Group") include automotive and heavy equipment distribution and service, information and communication technology, engineering services to the oil & gas sector, office systems, medical equipment, home appliances and electronics, building materials , logistics and warehousing, geotechnical, geological, environmental and material testing services, facilities maintenance and management service, travel services, trading and representation and trading in gold and gold jewellery, diamond jewellery, pearls, watches, silver and precious stones on a wholesale and retail basis.

The consolidated financial statements include the financial statements of the Company and its controlled subsidiaries listed below:

		Group's effective shareholding percentage	
Name of subsidiary	*Country of incorporation*	***December 31, 2015***	*December 31, 2014*
Mannai Trading Company W.L.L.	Qatar	**100**	100
Manweir W.L.L.	Qatar	**100**	100
Gulf Laboratories Company W.L.L.	Qatar	**100**	100
Space Travel W.L.L.	Qatar	**100**	100
Qatar Logistics W.L.L.	Qatar	**100**	100
Technical Services Company W.L.L.	Qatar	**100**	100
Mansoft Qatar W.L.L.	Qatar	**100**	100
Mansoft Solutions and Systems Pvt. Limited	India	--	100
Mansoft Solutions and Systems (UAE) L.L.C.	UAE	**100**	100
Techsignia Solutions Pvt. Ltd.	India	**100**	100
Gulf Geotechnical Services and Material Testing L.L.C.	Oman	**100**	100
Global Trading Center FZCO	UAE	**100**	100
Damas International Limited	UAE	**100**	100
GTC Otomotiv Anonim Sirketi	Turkey	**100**	100
Mannai Network & Solution L.L.C.	Oman	**100**	100
Utility Network Co.	Saudi	**100**	100
Damas L.L.C.	UAE	**100**	100
Damas Jewellery L.L.C.	UAE	**100**	100
Damas Jewellery DMCC	UAE	**100**	100
Damas Folli Follie L.L.C. (formerly Al Mana Damas International L.L.C.)	UAE	**51**	51
Ayodhya Jewellers L.L.C.	UAE	**100**	100
The Watch Studio L.L.C. (formerly Time Art Watches and Optics L.L.C.)	UAE	**100**	100
Arshi Jewellery L.L.C.	UAE	**75**	75
Damas Jewellery Manufacturing Company L.L.C. (formerly Emirates Jewellery Manufacturing L.L.C.)	UAE	**75**	75
Damas SPV Jewellery L.L.C.	UAE	**100**	100

1. CORPORATE INFORMATION (CONTINUED)

Name of subsidiary	*Country of incorporation*	*Group's effective shareholding percentage* **December 31, 2015**	*December 31, 2014*
Farhan Jewellery L.L.C.	UAE	--	75
Premium Investments International L.L.C.	UAE	**100**	100
Gem Universe L.L.C.	Oman	**100**	70
Damas Company W.L.L.	Bahrain	**100**	100
Damas Jewellery Kuwait Company W.L.L.	Kuwait	**100**	90
Damas Saudi Arabia Company Limited	KSA	**98**	98
Damas Accessories L.L.C.	KSA	**100**	100
Ayodhya Jewellery L.L.C.	KSA	**100**	100
Islanders Demas Pvt. Ltd.	Maldives	--	75
Damas (Thailand) Co. Ltd.	Thailand	--	100
Golden Investments Limited	UAE	**100**	100
Golden Investments Holdings Limited	UAE	**100**	100
Golden Investments Services Limited	UAE	**100**	100
Global Motor Sports W.L.L.	Qatar	**100**	100

Mannai Trading Company W.L.L., Damas International Limited, Manweir W.L.L., Gulf Laboratories Company W.L.L. and GTC Otomotiv Anonim Sirketi are the material subsidiaries of the Group.

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

2.1 New and revised IFRSs affecting amounts reported in the financial statements

The following are the revised IFRSs that were effective in the current year and have been applied in the preparation of these consolidated financial statements:

(i) **Revised Standards:**

Effective for annual periods beginning on or after July 1, 2014

- IAS 19 (Revised) — *Amendments to 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.*
- Annual improvements to IFRSs 2010-2012 cycle — *Amendments to issue clarifications on IFRSs- IFRS 2, IFRS 3, IFRS 8, IFRS 13, IAS 16, IAS 24 and IAS 38.*
- Annual Improvements 2011-2013 Cycle — *Amendments to issue clarifications on IFRSs- IFRS 1, IFRS 3, IFRS 13 and IAS 40.*

The adoption of these new and revised standards had no significant effect on the consolidated financial statements of the Group for the year ended December 31, 2015, other than certain presentation and disclosure changes.

2.2 New and revised IFRSs in issue but not yet effective (Early adoption allowed)

The Group has not applied the following new and revised IFRSs that have been issued but are not yet effective:

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

2.2 New and revised IFRSs in issue but not yet effective (Early adoption allowed) (continued)

(i) **New Standards:**

Effective for annual periods beginning on or after January 1, 2016

- IFRS 14	*Regulatory Deferral Accounts.*

Effective for annual periods beginning on or after January 1, 2018

- IFRS 15	*Revenue from Contracts with Customers.*
- IFRS 9	*Financial Instruments.*

Effective for annual periods beginning on or after January 1, 2019

- IFRS 16	*Leases*

(ii) **Revised Standards:**

Effective for annual periods beginning on or after January 1, 2016

- IFRS 10 & IAS 28 (Revised)	*Amendments regarding the sale or contribution of assets between an investor and its associate or joint venture.*
- IFRS 11 (Revised)	*Amendments regarding the accounting for acquisitions of an interest in a joint operation.*
- IFRS 12 (Revised)	*Amendments regarding the application of the consolidation exception.*
- IAS 1 (Revised)	*Amendments resulting from the disclosure initiative.*
- IAS 16 (Revised)	*Amendments regarding the clarification of acceptable methods of depreciation and amortization and amendments bringing bearer plants into the scope of IAS 16.*
- IAS 27 (Revised)	*Amendments reinstating the equity method as an accounting option for investments in subsidiaries, joint ventures and associates in an entity's separate financial statements.*
- IAS 38 (Revised)	*Amendments regarding the clarification of acceptable methods of depreciation and amortization.*
- IAS 41 (Revised)	*Amendments bringing bearer plants into the scope of IAS 16.*
- Annual Improvements 2012-2014 Cycle	*Amendments to issue clarifications and add additional/specific guidance to IFRS 5, IFRS 7, IAS 19 and IAS 34.*

Effective for annual periods beginning on or after January 1, 2018 (or on early application of IFRS 9)

- IFRS 7 (Revised)	*Financial Instruments Disclosures - Amendments requiring disclosures about the initial application of IFRS 9.*
- IAS 39 (Revised)	*Amendments to permit an entity to elect to continue to apply the hedge accounting requirements in IAS 39 for a fair value hedge of the interest rate exposure of a portion of a portfolio of financial assets or financial liabilities when IFRS 9 is applied, and to extend the fair value option to certain contracts that meet the 'own use' scope exception.*

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

2.2 New and revised IFRSs in issue but not yet effective (Early adoption allowed) (continued)

Management anticipates that the adoption of the above Standards and Interpretations (except as described in next paragraph) in future years will have no material impact on the consolidated financial statements of the Group in the period of initial application.

Management anticipates that IFRS 15, IFRS 9 and IFRS 16 will be adopted in the Group's consolidated financial statements for the annual period beginning from January 1, 2018 and January 1, 2019, as applicable. The application of these standards may have significant impact on amounts reported in the consolidated financial statements and will result in more extensive disclosures in the consolidated financial statements. However, management has not yet performed a detailed analysis of the impact of the application of these Standards and hence have not yet quantified the extent of the impact.

3. SIGNIFICANT ACCOUNTING POLICIES

Statement of compliance
The consolidated financial statements of the Group have been prepared in accordance with International Financial Reporting Standards ("IFRS") and the applicable provisions of Qatar Commercial Company Law. The new Commercial Law issued on July 7, 2015 is extended to be adopted by August 7, 2016. The Group is in the process of assessing its compliance with the new Qatar Commercial Companies' Law.

Basis of preparation
The consolidated financial statements have been prepared under the historical cost basis, except for land and building classified as property, plant and equipment, and derivative financial instruments and available-for-sale financial assets that are measured at revalued amount and fair value, respectively.

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
(ii) Level 3 inputs are unobservable inputs for the asset or liability.

These consolidated financial statements are presented in Qatari Riyal (QR), which is the Group's functional and presentation currency. The principal accounting policies are set out below.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of consolidation
The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Group. Control is achieved when the Group:

(i) has power over the investee;
(ii) is exposed, or has rights, to variable returns from its involvement with the investee; and
(iii) has the ability to use its power to affect its returns.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit or loss from the date the Group gains control until the date when the Group ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Group and to the non-controlling interests. Total comprehensive income of the subsidiaries is attributed to the owners of the Group and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group's accounting policies. All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

Changes in the Group's ownership interests in existing subsidiaries
Changes in the Group's ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Company.

Business combination
Acquisitions of businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange for control of the acquiree. Acquisition-related costs are generally recognised in profit or loss as incurred. At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their fair value.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Business combination (continued)
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 the statement of profit or loss as a bargain purchase gain.

When a business combination is achieved in stages, the Group's previously held equity interest in the acquiree is remeasured to its acquisition-date fair value and the resulting gain or loss, if any, is recognised in the statement of profit or loss. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognized in other comprehensive income are reclassified to profit or loss where such treatment would be appropriate if that interest were disposed off. If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period (12 months after the acquisition) to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognised at that date.

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 at least 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 the statement of profit or loss. 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.

Investments in associates and joint ventures
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.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Investments in associates and joint ventures (continued)
A joint arrangement is classified as joint venture whereby the parties that have joint control of the arrangement have rights to the net assets of the joint arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

The results and assets and liabilities of associates or joint ventures are incorporated in these consolidated 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 or a joint venture is initially recognised in the consolidated statement of financial position at cost and adjusted here after 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 or a joint venture exceeds the Group's interest in that associate or joint venture (which includes any long-term interests that, in substance, form part of the Group's net investment in the associate or joint venture), 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 or joint venture.

An investment in an associate or a joint venture is accounted for using the equity method from the date on which the investee becomes an associate or a joint venture. On acquisition of the investment in an associate or a joint venture, any excess of the cost of the investment over the Group's share of the net fair value of the identifiable assets and liabilities of the investee is recognised as goodwill, which is included within the carrying amount of the investment. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities over the cost of the investment is recognised immediately in statement of profit or loss in the period in which the investment is acquired.

When there is an indication of impairment, the entire carrying amount of the investment (including goodwill) is tested for impairment in accordance with *IAS 36 Impairment of Assets* as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs to sell) with its carrying amount.

The Group discontinues the use of the equity method from the date when the investment ceases to be an associate or a joint venture, or when the investment is classified as held for sale.

When the Group retains an interest in the former associate or joint venture and the retained interest is a financial asset, the Group measures the retained interest at fair value at that date and the investment is regarded as its fair value on initial recognition in accordance with IAS 39. The difference between the carrying amount of the associate or joint venture at the date the equity method was discontinued and the fair value of any retained interest and any proceeds from disposing of a part interest in the associate or joint venture is included in the determination of the gain or loss on disposal of the associate or joint venture. If a gain or loss previously recognised in other comprehensive income by that associate or joint venture would be reclassified to profit or loss on the disposal of the related assets or liabilities, then the Group also reclassifies the gain or loss from equity to profit or loss (as a reclassification adjustment) when the equity method is discontinued.

Unrealized gains and losses resulting from transactions between the Group and the associate are eliminated to the extent of the interest in the associate.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Non-current assets held for sale
Non-current assets and disposal groups are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the asset (or disposal group) is available for immediate sale in its present condition subject only to terms that are usual and customary for sales of such asset (or disposal group) and its sale is highly probable. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

When the Group is committed to a sale plan involving loss of control of a subsidiary, all of the assets and liabilities of that subsidiary are classified as held for sale when the criteria described above are met, regardless of whether the Group will retain a non-controlling interest in its former subsidiary after the sale.

Property, plant and equipment
Property, plant and equipment is stated at cost less accumulated depreciation and any impairment in value. Such cost includes borrowing costs for long-term construction projects if the recognition criteria are met. Land and capital work-in-progress are not depreciated.

Capital work-in-progress is stated at cost. When the asset is ready for intended use, it is transferred from capital work-in-progress to the appropriate category under property, plant and equipment and depreciated in accordance with the Group's policies.

Land and buildings are stated at revalued amount and for buildings less accumulated depreciation and impairment losses recognised after the date of the revaluation. Valuations are performed frequently enough to ensure that the fair value of the asset does not differ materially from its carrying amount.

Any revaluation surplus is credited to the assets revaluation reserve included in the equity section of the statement of financial position, except to the extent that it reverses a revaluation decrease of the same asset previously recognised in the statement of profit or loss, in which case the increase is recognised in statement of profit or loss. A revaluation deficit is recognised in statement of profit or loss, except to the extent that it offsets an existing surplus on the same asset recognised in the asset revaluation reserve.

Depreciation is calculated on a straight-line basis over the estimated useful lives of the assets as follows:

Buildings	10-30 years
Plant, machinery and equipment	3-15 years
Office furniture and equipment	3-5 years
Motor vehicles	3-5 years
Assets on hire	3-5 years

Maintenance, repairs and minor improvements are charged to the statement of profit or loss as and when incurred. Major improvements and replacements are capitalized.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Property, plant and equipment (continued)
Expenditure incurred to replace a component of an item of property, plant and equipment that is accounted for separately is capitalised and the carrying amount of the component that is replaced is written-off. Other subsequent expenditure is capitalised only when it increases future economic benefits of the related item of property, plant and equipment. All other expenditures are recognised in the statement of profit or loss as and when incurred.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on derecognition of an asset (calculated as the difference between the net disposal proceeds and the carrying amount of the item) is included in the statement of profit or loss in the year the item is derecognised.

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

Investment property

Investment property comprises property held for capital appreciation, rental yields or both, but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes. Investment property is carried at cost less accumulated depreciation and impairment losses, if any.

Land held for undetermined use is classified as investment property and is not depreciated.

When the development of investment property commences, it is transferred to capital work-in-progress until development is complete, at which time it is transferred to the respective category, and depreciated on the straight-line method, at the rate calculated to reduce the cost of the asset to its estimated residual value over its expected useful life, as follows:

Building 20 years

Any expenditure that results in the maintenance of property to an acceptable standard or specification is treated as repairs and maintenance and is expensed in the period in which it is incurred.

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from the disposal. Any gain or loss arising on derecognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit or loss in the period in which the property is derecognised.

Intangible assets
Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and impairment losses. Internally generated intangible assets, excluding capitalised development costs, are not capitalised and expensed in the period in which the expenditures are incurred. The useful lives of intangible assets are assessed as either finite or indefinite.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Intangible assets (continued)
Intangible assets acquired in a business combination and recognised separately from goodwill are initially recognised at their fair value at the acquisition date (which is regarded as their cost).

Subsequent to initial recognition, intangible assets acquired in a business combination are reported at cost less accumulated amortisation and impairment losses, on the same basis as intangible assets that are acquired separately.

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the assets are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the statement of profit or loss as the expense category that is consistent with the function of the intangible assets.

Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit or loss when the asset is derecognised.

Impairment of tangible and intangible assets
At each reporting period, the Group assesses whether there is an indication that an asset (tangible or intangible excluding goodwill) 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 fair value less costs to sell and its value in use and 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. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, an appropriate valuation model is used. These calculations are corroborated by valuation multiples or other available fair value indicators.

Impairment losses of continuing operations are recognised in the consolidated statement of profit or loss in those expense categories consistent with the function of the impaired asset, except for property previously revalued where the revaluation was taken to other comprehensive income. In this case, the impairment is also recognised in other comprehensive income up to the amount of any previous revaluation.

For assets (excluding goodwill), an assessment is made at each reporting period whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the Group estimates the asset's or Cash Generating Unit's (CGUs) recoverable amount.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Impairment of tangible and intangible assets (continued)

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 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.

The following assets have specific characteristics for impairment testing:

Goodwill
Goodwill is tested for impairment annually (as at December 31) and when circumstances indicate that the carrying value may be impaired. Impairment is determined for goodwill by assessing the recoverable amount of each CGU (or group of CGUs) to which the goodwill relates. When the recoverable amount of the CGU is less than its carrying amount, an impairment loss is recognised. Impairment losses relating to goodwill cannot be reversed in future periods.

Intangible assets
Intangible assets with indefinite useful lives are tested for impairment annually as at December 31, either individually or at the CGU level, as appropriate, and when circumstances indicate that the carrying value may be impaired.

Inventories
Inventories are stated at the lower of cost and net realisable value after making due allowance for any obsolete or slow moving items. Costs are those expenses incurred in bringing each product to its present location and condition as follows:

Spare parts and merchandise	- purchase cost on a weighted average cost basis
Vehicles	- purchase cost on specific identification basis
Work-in-progress	- cost of direct materials, labour and other direct costs
Diamond jewellery, pearl jewellery, watches and precious stones*	- purchase cost on specific identification basis
Gold and gold jewellery	- purchase cost on a weighted average cost basis
Others	- purchase cost on a first-in-first-out (FIFO) basis

*Making charges related to inventory of own and unfixed gold jewellery is included in inventories.

Net realizable value represents the estimated selling price less all cost expected to be incurred to completion or disposal.

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 the Group will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Employees' end of service benefits
The Group provides end of service benefits to its employees in accordance with the employment policies of the Group. The provision is calculated on the basis of individual's final salary and the period of service at the reporting date.

With respect to Qatari employees, the Group makes contribution to the Qatari Pension Fund calculated on a percentage of the employees' salaries, in accordance with the Retirement and Pension Law No. 24 of 2002. The Group's obligations are limited to these contributions.

Financial instruments
Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value plus transaction cost.

Financial assets
Financial assets are classified into the following specified categories: financial assets 'at fair value through profit or loss' (FVTPL), 'held-to-maturity' investments, 'available-for-sale' (AFS) financial assets 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. All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

Available for sale investments
Available-for-sale financial investments comprise of equity securities. Equity securities classified as available-for-sale are those that are neither classified as held for trading nor designated at fair value through profit or loss.

After initial measurement, available-for-sale financial investments are subsequently measured at fair value with unrealised gains or losses recognised as other comprehensive income and accumulated in the fair value reserve in equity until the investment is derecognised, at which time the cumulative gain or loss is recognised in other operating income, or the investment is determined to be impaired, when the cumulative loss is reclassified from the fair value reserve to the statement of profit or loss.

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

Loans and receivables
Loans and receivables 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 receivables (including trade and other receivables, bank balances and others) 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.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial assets (continued)

Impairment of financial assets
Financial assets, other than those at FVTPL, are assessed for impairment at each reporting period. 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 of 30-180 days, 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.

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 statement of profit or loss.

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

In respect of available for sale equity securities, impairment losses previously recognised in the statement of profit or loss are not reversed through statement of profit or loss. Any increase in fair value subsequent to an impairment loss is recognised in the statement of profit or loss and other comprehensive income and accumulated under the heading of fair value reserve in the statement of changes in equity.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financials assets (continued)

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 the statement of profit or loss.

Financial liabilities and equity instruments

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.

Financial liabilities
Financial liabilities are classified as either financial liabilities 'at FVTPL' or 'other financial liabilities'.

Financial liabilities at FVTPL
Financial liabilities are classified as at FVTPL when the financial liability is either held for trading or it is designated as at FVTPL. Financial liabilities at FVTPL are stated at fair value, with any gains or losses arising on remeasurement recognised in the statement of profit or loss.

Other financial liabilities
Financial liabilities that are not classified as FVTPL (including borrowings and trade and other payables) are subsequently measured at amortised cost using the effective interest method. The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

Derecognition of financial liabilities
The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or they expire. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Derivative financial instruments
The Group enters into derivative financial instruments to manage its exposure to market risk. Derivatives are initially recognised at fair value at the date the derivative contracts are entered into and are subsequently remeasured to their fair value at the end of each reporting period. The resulting gain or loss is recognised in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedge relationship.

Revenue recognition
Revenue is measured at the fair value of the consideration received or receivable. Revenue is reduced for estimated customer returns, rebates and other similar allowances.

Sale of goods
Revenue from the sale of goods is recognised when the goods are delivered and titles have passed, at which time all the following conditions are satisfied:
(i) the Group has transferred to the buyer the significant risks and rewards of ownership of the goods;
(ii) the Group retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
(iii) the amount of revenue can be measured reliably;
(iv) it is probable that the economic benefits associated with the transaction will flow to the Group; and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Rendering of services
Revenue from rendering of services is recognised when the outcome of the transaction can be estimated reliably, by reference to the stage of completion of the transaction at the reporting date.

Investment income
Income from investments other than joint venture is either accounted for on an accrual basis or when right to receive the income is established.

Interest income
Interest received under instalment credit sale agreement and bank deposits is accounted for on a time proportion basis taking into account the principal outstanding and interest rate applicable.

Rental income
Rental income is accounted for when earned.

Fee income
Fee income is recognized on time proportion basis.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Leasing

Group as lessee
Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases. Operating lease payments are recognised as an expense on a straight-line basis over the lease term, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed. Contingent rentals arising under operating leases are recognised as an expense in the period in which they are incurred. In the event that lease incentives are received to enter into operating leases, such incentives are recognised as a liability. The aggregate benefit of incentives is recognised as a reduction of rental expense on a straight-line basis, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

Group as lessor
Amounts due from lessees under finance leases are recognised as receivables at the amount of the Group's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the Group's net investment outstanding in respect of the leases.

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

Taxation
Taxes are calculated based on applicable tax laws or regulations in which the Group operates.

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.

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

Foreign exchange difference
In preparing the consolidated financial statements of the Group, transactions in currencies other than the Group's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated. Exchange differences on monetary items are recognised in the statement of profit or loss in the period in which they arise except as otherwise stated in the reporting framework.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Foreign exchange difference (continued)

For the purposes of presenting these consolidated financial statements, the assets and liabilities of the Group's foreign operations are translated into Qatari Riyal using exchange rates prevailing at the end of each reporting period. Income and expense items are translated at the average exchange rates for the year, unless exchange rates fluctuate significantly during that year, in which case the exchange rates at the dates of the transactions are used. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in equity (and attributed to non-controlling interests as appropriate).

4. CRITICAL JUDGEMENTS 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 judgements, 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.

Critical judgements in applying accounting policies

The following are the critical judgements, apart from those involving estimations, that management has made in the process of applying the Group's accounting policies and that have the most significant effect on the amounts recognised in the consolidated financial statements:

Classification of investments

Management decides on acquisition of an investment whether it should be classified as financial assets carried at fair value through profit and loss (FVTPL), held to maturity investments or available for sale financial assets.

The Group classifies investments as fair value though profit and loss (FVTPL), if they are acquired primarily for the purpose of making a short term profit by the Group or held for trading.

All other investments are classified as available for sale investments.

Investments in joint ventures and associates are assessed and classified based on management's judgement and in accordance with the provisions of IFRSs.

Impairment of available-for-sale financial assets

The Group follows the guidance of IAS 39 Financial Instruments: Recognition and Measurement to determine whether an available-for-sale financial asset is impaired. This determination requires significant judgement. In making this judgement, the Group evaluates, among other factors, the duration and extent to which the fair value of an investment is less than its cost; and the financial health of and near-term business outlook of the investee, including factors such as industry and sector performance, changes in technology and operational and financing cash flows.

Management recognises the decline in the fair value of available-for-sale investments in the statement of profit or loss as impairment loss when there is a significant or prolonged decline in the fair value of the security below its cost.

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

Critical judgements in applying accounting policies (continued)

Impairment of tangible and intangible assets
The Group's management evaluates whether there are internal and external indicators of impairment of its tangible and intangible assets. Management has not noted any indicators of impairment during the year.

Impairment of investments in joint ventures and associates
Management regularly reviews its investments in joint ventures and associates for indicators of impairment. In determination of whether indicators of impairment exist in investments in joint ventures and associates, Management evaluates the specific investee's profitability, liquidity, solvency and ability to generate operating cash flows from the date of acquisition and until the foreseeable future. Management is satisfied that no indication exist on its investments in joint ventures and associates.

Classification of properties
In the process of classifying properties, management has made various judgements. Judgement is needed to determine whether a property qualifies as an investment property, property, plant and equipment and/or property held for resale. The Group develops criteria so that it can exercise that judgement consistently in accordance with the definitions of investment property, property, plant and equipment and property held for resale. In making its judgement, management considered the detailed criteria and related guidance for the classification of properties as set out in IAS 16 and IAS 40, in particular, the intended usage of property as determined by the management.

Revenue recognition
Management has considered the detailed criteria for the recognition of revenue from the sale of goods set out in IAS 18: Revenue, and in particular whether the Group has transferred risks and rewards of ownership of the goods. Based on the acceptance by the customer of the liability for the goods sold and proof of receipt of the goods by the customers, management is satisfied that the significant risks and rewards have been transferred and the recognition of the revenue is appropriate.

Key sources of estimation uncertainty
The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year:

Impairment of goodwill
The Group carries out impairment testing annually in respect of goodwill on acquisition of subsidiaries. In carrying out the impairment analysis, the Group makes the following estimates which are critical:

Growth rate
Management uses the projected cash flows over a 5 year horizon. The growth rate used in determining the perpetual cash flows is computed keeping in view the nature of the industry and the general growth in the economic activity witnessed in the region where the Group operates.

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

Key sources of estimation uncertainty (continued)

Impairment of goodwill (continued)

Discount rate
Management discounts the cash flows using its weighted average cost of capital. In determining the cost of capital, estimated risk free rate of return adjusted for the equity market risk premium and the cost of debt is considered in proportion to the debt-equity structure of the Group.

Management performs sensitivity analysis on the above assumptions in ascertaining its impact on the carrying value of the goodwill in the consolidated financial statements. Changes in the above assumptions may have a material impact on the recoverable amounts of goodwill.

Fair value of investment properties
The best evidence of fair value is current prices in an active market for similar properties. In the absence of such information, the Group determined the amount within a range of reasonable fair value estimates. The Group considered recent prices of similar properties in the same location and similar conditions, with adjustments to reflect any changes in the nature, location or economic conditions since the date of the transactions that occurred at those prices. Such estimation is based on certain assumptions, which are subject to uncertainty and might materially differ from the actual results.

The determination of the fair value of revenue-generating properties requires the use of estimates such as future cash flows from assets (such as leasing, tenants' profiles, future revenue streams, capital values of fixtures and fittings, and the overall repair and condition of the property) and discount rates applicable to those assets. These estimates are based on local market conditions existing at the end of the reporting period. Certain specified properties which would not reasonably have a comparable market value due to the specific nature of the property, have been valued at historical replacement cost.

In arriving at the estimates of market values as at December 31, 2015, the valuers have use their market knowledge and professional judgement and have not only relied solely on historic transactional comparable. In these circumstances, there is greater degree of uncertainty than which exists in a more active market in estimating market values of investment property.

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

Key sources of estimation uncertainty (continued)

Fair value measurements and valuation processes
Some of the Group's assets and liabilities are measured at fair value for financial reporting purposes. In estimating the fair value of an asset or a liability, the Group uses market-observable data to the extent available. Where Level 1 inputs are not available, the Group engages third party qualified valuers to perform the valuation. The management works closely with the qualified external valuers to establish the appropriate valuation techniques and inputs to the model. Information about the valuation techniques and inputs used in determining the fair value of various assets and liabilities are disclosed in the respective notes.

Tangible and intangible assets useful lives
The Group's management determines the useful lives and related depreciation or amortization charge of the tangible or intangible assets. The depreciation or amortization charge for the year will change significantly if actual life is different from the estimated useful life of the asset.

Impairment of financial assets
The Group's management reviews periodically items classified as receivables to assess whether a provision for impairment should be recorded in the statement of profit or loss. Management estimates the amount and timing of future cash flows when determining the level of provisions required. Such estimates are necessarily based on assumptions about several factors involving varying degrees of judgement and uncertainty. Management is confident that the impairment recorded on receivables is adequate.

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 anticipated selling prices. Management is confident that the impairment recorded on inventories is adequate.

Furthermore, an estimate of the collectible amount of gold unfixed with trade receivables is made when recovery of inventories are no longer probable or the cash margins are not securing these inventories are not sufficient to cover the exposure.

5. CASH AND CASH EQUIVALENTS

	2015	2014
	QR '000	QR '000
Bank balances and cash	**150,302**	114,263
Less: Fixed and margin deposits under lien	**(7,691)**	(8,804)
	142,611	105,459
Less: Bank overdrafts	**(288,519)**	(348,362)
Cash and cash equivalents	**(145,908)**	(242,903)

6. ACCOUNTS RECEIVABLE AND PREPAYMENTS

	2015 QR '000	2014 QR '000
Trade accounts receivable	725,748	835,703
Less : Allowance for impairment	(22,796)	(145,677)
	702,952	690,026
Advances to suppliers	67,159	90,970
Notes receivable	91,483	105,970
Prepayments	60,463	54,286
Deposits	21,678	17,795
Accrued income	33,128	22,545
Others	67,302	69,276
	1,044,165	1,050,868

Presented in the consolidated statement of financial position as follows:

	2015 QR '000	2014 QR '000
Current	1,008,425	1,014,847
Non-current	35,740	36,021
	1,044,165	1,050,868

The movement in allowance for impairment is as follows:

	2015 QR '000	2014 QR '000
At January 1,	145,677	145,967
Provision during the year	4,695	8,169
Written off during the year	(124,069)	(825)
Write back during the year	(3,507)	(7,634)
At December 31,	22,796	145,677

6. ACCOUNTS RECEIVABLE AND PREPAYMENTS (CONTINUED)

As at December 31, the ageing of unimpaired trade accounts receivable and notes receivable were as follows:

	2015	2014
	QR '000	QR '000
Aging of neither past due nor impaired		
Up to 180 days	484,425	616,594
Aging of past due but not impaired		
0 – 90 days	149,693	113,859
90 – 180 days	53,465	33,696
180 + days	106,852	31,847
Total	310,010	179,402

Unimpaired receivables are expected, on the basis of past experience, to be fully recoverable. It is not the practice of the Group to obtain collateral over receivables.

7. INVENTORIES

	2015	2014
	QR '000	QR '000
Gold and other jewelleries (net of consignment inventory)	1,418,466	1,411,681
Work-in-progress	619,939	679,524
Merchandises, spares and tools	470,584	475,112
Vehicles and heavy equipment	298,948	182,272
Industrial supplies	23,042	36,144
Others	4,812	4,029
	2,835,791	2,788,762
Less: Provision for obsolete and slow moving items	(204,594)	(203,352)
	2,631,197	2,585,410

The Group in the normal course of business borrows gold on an unfixed basis which it converts into gold jewellery or trades as bullion. This jewellery and bullion is further used as stock in trade and is sold to various customers on a fixed or unfixed basis. The Group reduces the exposure to gold price by borrowing gold on an unfixed basis. These are then sold as manufactured jewellery or bullion, at which point, the price will be fixed at the spot rate on the sale date.

The Group provides gold on an unfixed basis to various consignment venturers, debtors, associates and joint ventures without any margin and to certain parties against cash margin.

7. INVENTORIES (CONTINUED)

Movements in the provision for slow moving and obsolete inventories are as follows:

	2015	2014
	QR '000	QR '000
At January 1,	**203,352**	142,261
Provision during the year	**31,564**	174,291
Write back during the year	**(28,325)**	(113,214)
Amount written off	**(2,057)**	--
Exchange loss on foreign currency translation	**60**	14
At December 31,	**204,594**	203,352

8. AVAILABLE FOR SALE INVESTMENTS

	2015	2014
	QR '000	QR '000
Unquoted investments :		
At January 1,	**42,947**	42,957
Additions	**2,075**	8,279
Impairment loss	**(1,334)**	(8,289)
At December 31,	**43,688**	42,947

Note (a): At December 31, 2015, available for sale investments include certain investments in unquoted equity shares and unquoted equity funds amounting to QR 14.90 million (2014: QR. 16.32 million) carried at fair value. The fair value of the unquoted equity shares is based on the net asset value of the underlying investments provided by the fund manager/investee companies.

Note (b): At December 31, 2015, certain unquoted equity investments amounting to QR. 28.70 million (2014: QR 26.62 million) were carried at cost less impairment due to non-availability of quoted market prices or other reliable measures of their fair value.

Note (c): At December 31, 2015, an impairment loss of QR. 1.3 million (2014: QR. 8.3 million) was recognised against available for sale investments based on the fair valuation and assessment of performance of those investments.

9. INVESTMENT IN JOINT VENTURE COMPANIES

The Group has investments in the following joint venture companies:

Name	*Country of incorporation*	*Ownership interest*	
		2015	2014
Cofely Besix Mannai Facility Management L.L.C. (i)	Qatar	**51%**	51%
Gulf Land Survey W.L.L. (ii)	Qatar	**51%**	51%
Saint-Gobain Pam and Mannai L.L.C. (iii)	Qatar	**51%**	--
Paspaley Pearl Jewellery L.L.C. (iv)	UAE	**51%**	51%
Roberto Coin Middle East L.L.C. (iv)	UAE	**51%**	51%

Principal activities of the Group's joint ventures are as follows:

(i) Cofely Besix Mannai Facility Management L.L.C. is engaged in facilities and asset management business.

(ii) Gulf Land Survey W.L.L is primarily engaged in carrying on aerial, ground and underground survey business.

(iii) Saint-Gobain Pam and Mannai L.L.C. is engaged in distribution of ductile iron pipes, fittings and valves. Operations will start in 2016.

(iv) Paspaley Pearl Jewellery L.L.C. and Roberto Coin Middle East L.L.C. are engaged in trading in gold and gold jewellery, diamond jewellery, pearls, watches, silver and precious stones.

Although the Group holds 51% equity in all of the above entities, decisions need unanimous consent of both parties and as such the investments are classified as joint ventures. Movements during the year are as follows:

	2015	2014
	QR '000	QR '000
At January 1,	**18,306**	17,111
Acquired during the year	**2,550**	14,361
Reversal of impairment on joint venture	**4,944**	--
Share of (loss)/ profit from joint ventures	**(1,672)**	1,061
Impairment of investment in joint venture	**--**	(14,227)
At December 31,	**24,128**	18,306

9. INVESTMENT IN JOINT VENTURE COMPANIES (CONTINUED)

Summarised financial information in respect of the Group's joint venture companies are as follows:

December 31, 2015	**Assets QR '000**	**Liabilities QR '000**	**Revenue QR '000**	**Net profit/(loss) QR '000**
Cofely Besix Mannai Facility Management L.L.C. (iv)	**38,994**	**22,415**	**71,690**	**(3,613)**
Gulf Land Survey W.L.L.	**731**	**338**	**1,454**	**(191)**
Paspaley Pearl Jewellery L.L.C.	**17,952**	**2,173**	**9,792**	**(111)**
Roberto Coin Middle East L.L.C.	**9,769**	**8,494**	**8,738**	**454**
	67,446	**33,420**	**91,674**	**(3,461)**
Group's share of results				**(1,672)**

December 31, 2014	Assets QR '000	Liabilities QR '000	Revenue QR '000	Net profit/(loss) QR '000
Cofely Besix Mannai Facility Management L.L.C. (iv)	54,352	34,160	55,648	1,787
Gulf Land Survey W.L.L.	1,333	750	1,490	381
Paspaley Pearl Jewellery L.L.C.	19,785	3,886	10,591	286
Roberto Coin Middle East L.L.C.	8,345	7,521	7,447	(180)
	83,815	46,317	75,176	2,274
Group's share of results				1,061

10. INVESTMENT IN ASSOCIATE COMPANIES

The Group holds investments in the following associate companies:

Name	*Country of incorporation*	*Ownership interest* **2015**	*Ownership interest* 2014
Axiom Limited	UAE	**35%**	35%
Daiso Japan Value Stores L.L.C.	UAE	**51%**	51%
LTC International General Trading Co	Kuwait	**35%**	35%
LTC International Qatar L.L.C.	Qatar	**50%**	50%
Daiso Trading	Bahrain	**35%**	35%
Al Mana Jewellery Co. - Damas W.L.L.	Qatar	**49%**	49%
Al Baraka Jewellery W.L.L.	Bahrain	**33.33%**	33.33%
Tanya Collections Ltd.	Thailand	**49%**	49%
TCO Damas Associates L.L.C.	UAE	**51%**	51%

10. INVESTMENT IN ASSOCIATE COMPANIES (CONTINUED)

Axiom Limited is engaged in import, retail and wholesale of various brands of mobile phones and related accessories and provision of related services. All other associates are engaged in trading of gold and gold jewellery, diamond jewellery, pearls, watches, silver and precious stones.

Although, the Group holds 50% or more equity in Daiso Japan Value Stores L.L.C., LTC International Qatar L.L.C. and TCO Damas Associates L.L.C., the Group does not have the power to govern the financial and operating activities of these investees and thus, does not have control or joint control in these entities. Certain amounts within the Axiom Limited's financial statements are based on management accounts.

The movements during the year are as follows:

	2015	2014
	QR '000	QR '000
At January 1,	**1,177,040**	1,250,270
Dividends received	**(46,480)**	(79,220)
Share of profit from associates	**57,101**	41,546
Impairment in the value of investment	**--**	(35,559)
Exchange gain on translation of foreign currency	**(1)**	3
At December 31,	**1,187,660**	1,177,040

Summarised financial information in respect of the Group's associate companies are as follows:

December 31, 2015	**Assets** QR '000	**Liabilities** QR '000	**Revenue** QR '000	**Net profit** QR '000
Axiom Limited	**1,746,487**	**1,372,112**	**7,856,722**	**10,513**
Daiso Japan Value Stores L.L.C.	**34,685**	**18,971**	**154,740**	**43,693**
LTC International General Trading Co.	**4,595**	**1,373**	**19,665**	**4,524**
LTC International Qatar L.L.C.	**33,167**	**22,835**	**99,160**	**25,272**
Daiso Trading W.L.L.	**5,514**	**162**	**7,699**	**2,570**
Al Mana Jewellery Co. - Damas W.L.L.	**37,321**	**32,087**	**151,890**	**22,954**
Tanya Collections Ltd.	**48,166**	**20,398**	**55,530**	**2,068**
TCO Damas Associates L.L.C.	**240,771**	**77,687**	**163,918**	**25,615**
	2,150,706	**1,545,625**	**8,509,324**	**137,209**
Group's share of results				**57,101**

10. INVESTMENT IN ASSOCIATE COMPANIES (CONTINUED)

Summarised financial information in respect of the Group's associate companies are as follows: (continued)

December 31, 2014	Assets QR '000	Liabilities QR '000	Revenue QR '000	Net profit /(loss) QR '000
Axiom Limited	1,606,420	1,214,082	7,995,033	(34,731)
Daiso Japan Value Stores L.L.C.	32,354	15,033	122,531	35,386
LTC International General Trading Co.	4,966	1,550	18,611	4,697
LTC International Qatar L.L.C.	34,843	7,348	92,866	22,761
Daiso Trading W.L.L.	4,550	290	6,494	1,662
Al Mana Jewellery Co. - Damas W.L.L.	34,809	24,561	179,758	28,328
Tanya Collections Ltd.	51,631	24,448	39,948	1,387
TCO Damas Associates L.L.C.	247,937	116,090	211,705	41,622
	2,017,510	1,403,402	8,666,946	101,112
Group's share of results				41,546

11. GOODWILL AND OTHER INTANGIBLE ASSETS

	Goodwill QR '000	Trade name QR '000	Distribution rights QR '000	Other intangible assets QR '000	Total QR '000
Cost:					
At January 1, 2014	542,234	670,000	24,339	207	1,236,780
Additions	--	--	--	803	803
Disposal	(11,892)	--	--	--	(11,892)
At December 31, 2014	530,342	670,000	24,339	1,010	1,225,691
Additions	--	--	--	5,372	5,372
Transferred from property, plant and equipment (Note 12)	--	--	--	6,028	6,028
Effect of foreign exchange translation	--	--	--	2	2
At December 31, 2015	**530,342**	**670,000**	**24,339**	**12,412**	**1,237,093**
Impairment/ amortisation:					
At January 1, 2014	4,344	--	16,902	34	21,280
Charge for the year	--	--	7,437	178	7,615
Relating to disposal	(4,344)	--	--	--	(4,344)
Effect of foreign exchange translation	--	--	--	(17)	(17)
At December 31, 2014	--	--	24,339	195	24,534
Charge for the year	--	--	--	1,832	1,832
At December 31, 2015	**--**	**--**	**24,339**	**2,027**	**26,366**
Net carrying amounts:					
At December 31, 2015	**530,342**	**670,000**	**--**	**10,385**	**1,210,727**
At December 31, 2014	530,342	670,000	--	815	1,201,157

11. GOODWILL AND OTHER INTANGIBLE ASSETS (CONTINUED)

The useful lives of goodwill and trade name are for indefinite period whilst useful life of distribution rights are for 3 years.

(i) Allocation of goodwill to cash generating units for impairment

Goodwill, amounting to QR. 538.85 million which arose on account of acquisition of Damas International Limited, has been allocated for impairment testing purposes to Damas International Limited, UAE cash generating unit (Damas CGU). The recoverable amount of this cash-generating unit is determined based on a value in use calculation which uses cash flow projections based on financial budgets approved by the management covering a five-year period, and a discount rate of 9% (2014: 12%) per annum based on CAPM. Cash flow projections during the budget period are based on the same expected gross margins and raw materials price inflation throughout the budget period.

The budgeted growth rate is assumed to be CAGR of 3% (2014: 6.02%) over the forecast period. The growth rate is considered appropriate by management considering the nature of the industry and the general growth in the economic activity witnessed in the countries where these entities operate. Terminal value has been derived by reference to the Gordon Growth Model assuming a steady level of operations beyond the discrete period.

Terminal period cash flows are assumed to grow at a perpetual growth rate of 3% (2014: 4%) which is based on UAE's long term CPI and GDP growth rates. Any change in key assumptions on which the recoverable amount is based may cause the aggregate carrying amount of goodwill to exceed the aggregate recoverable amount of the cash-generating unit.

(ii) Allocation of trade name to cash generating units for impairment

Trade name was valued using the Relief from Royalty Method (RRM) which assumes that the intangible asset has a fair value based on royalty income attributable to it. Royalty income would represent the cost savings by Group where it is not required to pay royalties to a third party for the license to use the intangible asset. The recoverable amount of this asset is determined based on a value in use calculation which uses royalty projections based on financial budgets approved by the management covering a five-year period and terminal value based on Gordon Growth Model and discounted to present value. Any change in key assumptions on which the recoverable amount is based may cause the aggregate carrying amount of trade name to exceed the aggregate recoverable amount of the asset. The key assumptions used in value in use for the trade name are as follows:

(a) Royalty rate– Management applied a royalty rate of 2.75% (2014: 2.75%).

(b) Budgeted growth rate - The budgeted growth rate is assumed to be CAGR of 3% (2014: 6.02%) over the forecast period. The growth rate is considered appropriate by management considering the nature of the industry and the general growth in the economic activity witnessed in the countries where these entities operate.

(c) Terminal value has been derived by reference to the Gordon Growth Model assuming a steady level of operations beyond the discrete period. Terminal period cash flows are assumed to grow at a perpetual growth rate of 3% (2014: 4%) which is based on UAE's long term CPI and GDP growth rates.

(d) Discount rate of 11% (2014:14%) per annum based on CAPM, inclusive of 2% (2014: 2%) premium to cover the inherent risk.

12. PROPERTY, PLANT AND EQUIPMENT

	Land and building QR '000	Plant and machinery QR '000	Furniture and equipment QR '000	Motor vehicles QR '000	Assets on hire QR '000	Capital work-in-progress QR '000	Total QR '000
Cost/revaluation:							
At January 1, 2015	**292,014**	**132,464**	**237,588**	**58,896**	**99,242**	**23,872**	**844,076**
Additions	16,300	12,960	44,807	15,104	34,296	9,400	132,867
Disposals/other adjustments	(15)	(809)	(27,262)	(8,891)	(24,270)	(807)	(62,054)
Reclassifications	--	--	16,903	--	--	(22,931)	(6,028)
At December 31, 2015	**308,299**	**144,615**	**272,036**	**65,109**	**109,268**	**9,534**	**908,861**
Accumulated depreciation:							
At January 1, 2015	**99,533**	**88,851**	**192,719**	**34,619**	**28,795**	**(22)**	**444,495**
Charge for the year	12,818	12,271	28,067	10,229	25,402	--	88,787
Relating to disposals/other adjustments	(15)	(597)	(17,229)	(5,743)	(13,123)	--	(36,707)
Effect of foreign exchange translation	(1)	245	428	465	--	17	1,154
At December 31, 2015	**112,335**	**100,770**	**203,985**	**39,570**	**41,074**	**(5)**	**497,729**
Net carrying amount:							
At December 31, 2015	**195,964**	**43,845**	**68,051**	**25,539**	**68,194**	**9,539**	**411,132**

Note:

Capital work-in-progress mainly includes a new application software amounting to QR. Nil (2014: QR. 6.01 million) and costs incurred towards fit outs in new stores and existing store renovations amounting to QR. 7.98 million (2014: 14.09 million).

12. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

	Land and building QR '000	Plant and machinery QR '000	Furniture and equipment QR '000	Motor vehicles QR '000	Assets on hire QR '000	Capital work-in-progress QR '000	Total QR '000
Cost/revaluation:							
At January 1, 2014	302,875	126,409	214,526	54,104	80,253	16,387	794,554
Additions	20,669	12,023	17,770	15,385	45,364	26,099	137,310
Disposals/other adjustments	(31,530)	(6,281)	(12,969)	(10,593)	(26,375)	(40)	(87,788)
Reclassifications	--	313	18,261	--	--	(18,574)	--
At December 31, 2014	292,014	132,464	237,588	58,896	99,242	23,872	844,076
Accumulated depreciation:							
At January 1, 2014	109,169	81,758	185,341	31,566	26,389	(41)	434,182
Charge for the year	12,754	13,046	17,535	9,406	21,657	--	74,398
Relating to disposals/other adjustments	(22,390)	(5,959)	(10,539)	(6,399)	(19,251)	--	(64,538)
Effect of foreign exchange translation	--	6	382	46	--	19	453
At December 31, 2014	99,533	88,851	192,719	34,619	28,795	(22)	444,495
Net carrying amount:							
At December 31, 2014	192,481	43,613	44,869	24,277	70,447	23,894	399,581

13. INVESTMENT PROPERTIES

	2015	2014
	QR '000	QR '000
Cost:		
Opening balance as at January 1,	**255,703**	260,566
Addition	**891**	--
Disposal/impairment	**(31,914)**	(4,867)
Exchange gain on translation of foreign currency	--	4
Closing balance as at December 31,	**224,680**	255,703
Accumulated Depreciation/impairment:		
Opening balance as at January 1,	**139,867**	134,850
Charge for the year	**6,563**	6,581
Disposal/impairment	**(25,317)**	(1,564)
Closing balance as at December 31,	**121,113**	139,867
Carrying amount as at December 31,	**103,567**	115,836

At December 31, 2015, the fair value of these investment properties amounted to QR. 141.01 million (December 31, 2014: QR. 149.73 million) based on the valuation performed internally by management. The valuation of these investment properties are based on an individual assessment, for each property type, of both, their future earnings and their required yield based on management's strategy.

14. DISCONTINUED OPERATION

Subsidiary held for sale

Results of the subsidiary's operations classified as discontinued operation are as follows:

	2015	2014
	QR '000	QR '000
Total revenue	--	28,693
Total expenditure	--	(30,094)
Loss for the year from discontinued operation	--	(1,401)

15. INTEREST BEARING LOANS AND BORROWINGS

	2015 QR '000	2014 QR '000
Working capital facilities and others (a)	**776,350**	1,564,628
Term loans (b)	**1,720,384**	1,054,624
	2,496,734	2,619,252

Presented in the consolidated statement of financial position as follows:

	2015 QR '000	2014 QR '000
Current	**998,334**	1,877,653
Non-current	**1,498,400**	741,599
	2,496,734	2,619,252

Notes:

(a) During the year, the Group obtained short term loans from commercial banks mainly to finance working capital requirements. These loans carry interest at commercial rates and have a varying maturity between 6 to 24 months.

(b) This represents term loan facilities obtained from commercial banks. These loans carry interest at commercial rates and are to be repaid at quarterly rests. Some of the above interest bearing loans and borrowings are secured by:

- Fixed deposits amounting to QR 7.70 million (2014: QR. 8.8 million) (Note 5),
- Negative pledge on all the assets owned by the Group.

(c) In addition to the above loans, the Group has outstanding gold loans as at December 31, 2015 received from bullion banks on an unfixed basis aggregating to 5,448 Kgs (2014: 5,023 Kgs).

(d) The above gold loans are covered by way of stand-by-letters of credit issued in favour of these bullion banks which are presented as part of the Group's contingencies and commitments disclosure note 26(a).

16. ACCOUNTS PAYABLE AND ACCRUALS

	2015 QR '000	2014 QR '000
Trade accounts payable	**430,793**	464,243
Advances from customers	**581,346**	561,985
Accrued expenses and others	**532,914**	491,383
Social and sports contribution	**7,579**	3,439
	1,552,632	1,521,050

16. ACCOUNTS PAYABLE AND ACCRUALS (CONTINUED)

Presented in the consolidated statement of financial position as follows:

	2015	2014
	QR '000	QR '000
Current portion	**1,535,239**	1,489,833
Non-current portion	**17,393**	31,217
	1,552,632	1,521,050

17. EMPLOYEES' END OF SERVICE BENEFITS

Movement in the provision recognised in the consolidated statement of financial position are as follows:

	2015	2014
	QR '000	QR '000
At January 1,	**99,258**	86,354
Provided during the year	**24,848**	21,886
End of service benefits paid	**(11,853)**	(8,870)
Transfer from related party	**150**	--
Exchange gain on translation of foreign currency	**(91)**	(112)
At December 31,	**112,312**	99,258

18. SHARE CAPITAL

	2015	2014
	QR '000	QR '000
Authorised, issued and fully paid-up shares *[45,619,200 shares of nominal value 10 QR each]*	**456,192**	456,192

19. RESERVES

(a) Legal reserve
As required by Qatar Commercial Companies' Law, 10% of the profit for the year is required to be transferred to a legal reserve, until such reserve equals 50% of the issued share capital. The Group has resolved to cease such annual transfers as the legal reserve has reached the minimum required level. The reserve is not generally available for distribution except in the circumstances stipulated in the above law.

(b) Acquisition reserve
In case of acquisitions or disposal of subsidiaries without change in control, the difference between the decrease/increase in the non-controlling interests and the consideration paid or received is recognised as 'acquisition reserve' directly in equity attributed to the owners of the Company.

20. DIVIDENDS PAID AND PROPOSED

The Board of Directors has proposed a cash dividend of QR. 5 per share aggregating to QR. 228.09 million for the year 2015, which is subject to the approval of the shareholders at the Annual General Assembly (2014: QR. 6 per share totalling to QR. 273.72 million).

During the year, the dividend paid amounted to QR. 273.72 million (2014: QR. 250.91 million).

21. SEGMENT INFORMATION

The Group is organised into business units based on its products and services and has twelve (12) reporting segments as follows:

- Auto
- Heavy equipment
- Energy and industrial markets
- Industrial supplies
- Information technology
- Travel
- Engineering
- Geotechnical services
- Logistics
- Jewellery trading
- Telecom retail
- Others

Management monitors the operating results of the operating segments to make decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profit or loss and is measured consistently with operating profit or loss in the consolidated financial statements. Transfer prices between operating segments are on an arm's length basis in a manner similar to transactions with third parties.

Segment assets and liabilities comprise operating assets and liabilities which are directly handled by the operating segment and income or expenses that are attributed in line with the assets and liabilities allocated. The following table summarises the performance of the operating segments:

21. SEGMENT INFORMATION (CONTINUED)

(a) By operating segments

December 31, 2015	Auto QR'000	Heavy equipment QR'000	E&I markets QR'000	Industrial supplies QR'000	Information technology QR'000	Travel QR'000	Enginee-ring QR'000	Geotechnical services QR'000	Logistics QR'000	Jewellery Trading QR'000	Telecom retail QR'000	Others QR'000	Total QR'000
Revenue	844,434	506,780	270,222	230,568	1,652,019	43,116	90,573	96,609	49,331	2,096,863	--	54,118	5,934,633
Gross profit	161,542	73,366	64,153	41,136	270,418	37,959	9,590	40,898	12,008	607,568	--	23,237	1,341,875
Net profit	51,078	37,058	46,660	27,718	170,030	14,685	(108)	18,226	6,393	191,197	(15,201)	(19,521)	528,215
Segment assets	444,368	273,838	74,234	86,214	1,296,264	64,584	84,180	55,216	13,765	2,355,723	1,101,076	1,010,198	6,859,660
Segment liabilities	213,514	142,586	35,151	21,250	933,425	23,444	79,586	28,671	4,548	970,758	--	1,998,305	4,451,238
Other information Share of results from joint venture and associate companies	--	--	--	--	--	--	--	--	--	60,133	(2,861)	(1,843)	55,429
Investments in joint venture and associates companies	--	--	--	--	--	--	--	--	--	94,636	1,101,076	16,076	1,211,788

21. SEGMENT INFORMATION (CONTINUED)

(a) By operating segments (continued)

December 31, 2014	Auto QR'000	Heavy equipment QR'000	E&I markets QR'000	Industrial supplies QR'000	Information technology QR'000	Travel QR'000	Enginee-ring QR'000	Geotechnical services QR'000	Logistics QR'000	Jewellery Trading QR'000	Telecom retail QR'000	Others QR'000	Total QR'000
Revenue	732,486	415,370	184,905	240,825	1,579,610	42,211	120,215	77,035	37,271	2,353,000	--	157,013	5,939,941
Gross profit	149,815	60,925	51,560	36,788	194,145	39,582	25,251	25,051	9,420	613,847	--	(644)	1,205,740
Net profit	51,197	33,095	37,816	24,547	101,160	15,721	(3,571)	3,862	3,965	394,298	(53,523)	(81,763)	526,804
Segment assets	457,722	215,990	103,701	103,353	1,354,443	82,435	114,594	63,167	10,914	2,282,895	1,103,938	867,429	6,760,581
Segment liabilities	158,156	58,738	33,403	30,730	900,534	36,031	109,892	39,483	4,090	1,362,615	--	1,860,731	4,594,403
Other information													
Share of results from joint venture and associate companies	--	--	--	--	--	--	--	--	--	53,755	(40,879)	1,008	13,884
Investments in joint venture and associates companies	--	--	--	--	--	--	--	--	--	76,039	1,103,938	15,369	1,195,346

21. SEGMENT INFORMATION (CONTINUED)

(b) By geography

December 31, 2015	Qatar QR'000	Other GCC countries QR'000	Others QR'000	Total QR'000
Revenue	**3,706,708**	**2,114,205**	**113,720**	**5,934,633**
Gross profit	**722,318**	**609,676**	**9,881**	**1,341,875**
Net profit	**303,137**	**229,786**	**(4,708)**	**528,215**
Segment assets	**3,319,346**	**3,475,403**	**64,911**	**6,859,660**
Segment liabilities	**3,445,386**	**989,653**	**16,199**	**4,451,238**
Other information				
Share of results from joint venture and associate companies	**(1,843)**	**57,272**	**--**	**55,429**
Investment in joint venture and associate companies	**16,076**	**1,195,712**	**--**	**1,211,788**

December 31, 2014	Qatar QR'000	Other GCC countries QR'000	Others QR'000	Total QR'000
Revenue	3,523,106	2,369,966	46,869	5,939,941
Gross profit	584,845	613,793	7,102	1,205,740
Net profit	137,562	393,853	(4,611)	526,804
Segment assets	3,287,062	3,407,858	65,661	6,760,581
Segment liabilities	3,203,265	1,382,109	9,029	4,594,403
Other information				
Share of results from joint venture and associate companies	1,008	12,876	--	13,884
Investment in joint venture and associate companies	15,369	1,179,977	--	1,195,346

22. OTHER INCOME

	2015	2014
	QR '000	QR '000
Reversal of impairment/ recoveries of receivables	**59,363**	309,836
Gain on disposal of investment property	**39,749**	9,010
Treasury gain	**17,954**	--
Gain on disposal of property, plant and equipment	**2,118**	3,257
Gain on disposal of investment classified as held for sale	--	12,459
Miscellaneous income	**31,346**	27,654
	150,530	362,216

23. GENERAL AND ADMINISTRATIVE EXPENSES

	2015	2014
	QR '000	QR '000
Staff costs	**213,797**	203,506
Legal and professional fees	**35,446**	45,452
Rent	**26,087**	22,613
Director's remuneration	**25,246**	25,470
Repairs and maintenance	**25,136**	21,277
Travelling	**18,829**	20,376
Communication	**16,054**	14,368
Utility charges	**7,820**	6,971
Insurance	**6,430**	6,788
Bank charges	**5,700**	5,730
Printing and stationery	**5,057**	5,201
Allowance for inventories, net	**4,156**	23,917
Impairment of property, plant and equipment	--	16,342
Other administrative expenses and allowances	**42,982**	52,445
	432,740	470,456

24. EARNINGS PER SHARE

Basic earnings per share is calculated by dividing the profit for the year by the weighted average number of ordinary shares outstanding during the year.

	2015	2014
Profit for the year attributable to the shareholders of the Company from continuing operations (in QR '000)	**532,781**	527,828
Loss for the year attributable to the shareholders of the Company from discontinued operations (in QR '000)	--	(1,401)
Profit for the year attributable to the shareholders of the Company (QR '000)	**532,781**	526,427
Weighted average number of shares outstanding during the year (in thousands of shares)	**45,619**	45,619
Basic and diluted earnings per share (QR) (attributable to the shareholders of the Company)	**11.68**	11.54
Basic and diluted earnings per share (QR) from continuing operations (attributable to the shareholders of the Company)	**11.68**	11.57

25. RELATED PARTY DISCLOSURES

Related parties represent associated companies, major shareholders, directors and key management personnel of the Group and entities in which they are principal owners. Pricing policies and terms of these transactions are approved by the Group's management.

(a) Related party transactions

Transactions with related parties included in the consolidated statement of profit or loss are as follows:

	2015	2014
	QR '000	QR '000
Sales	**124,584**	154,908
Purchases	**16,941**	32,331

25. RELATED PARTY DISCLOSURES (CONTINUED)

(b) Related party balances

	2015	2014
	QR '000	QR '000
Due from related parties		
Long term loans to joint venture companies and associates, net	**16,646**	20,599
Receivable from joint venture companies and associates	**36,448**	34,574
	53,094	55,173
Presented in the financials as follows :		
Current	**36,448**	34,574
Non-current	**16,646**	20,599
	53,094	55,173
Due to related parties		
Payable to joint venture companies and associates	**1,041**	6,481
	1,041	6,481

Long term loans to related parties (associates and joint ventures) represent loans which are interest free, unsecured and have no fixed terms of repayment. These loans are in the nature of working capital advances and are not expected to be recalled within a period of twelve months from the reporting date.

Outstanding balances at December 31, 2015 arose in the normal course of business. During the year ended December 31, 2015, the Group has recorded an impairment loss of QR. 0.72 million (2014: QR. 4.04 million) on long term loans given to related parties.

Majority of the related party transactions are carried out in United Arab Emirates Dirhams (AED) and reported in Qatari Riyal.

(c) Terms and conditions of transactions with related parties

The sales to and purchases from related parties are made at terms equivalent to those that prevail in arms-length transactions. Outstanding balances at the reporting date are unsecured, interest free and the settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables.

25. RELATED PARTY DISCLOSURES (CONTINUED)

(d) Compensation of key management personnel

The remuneration of key management personnel during the year is as follows:

	2015	2014
	QR '000	QR '000
Short term benefits	12,556	19,687
Post-employment benefits	783	717
	13,339	20,404
Directors' remuneration	25,246	25,470

26. CONTINGENCIES AND COMMITMENTS

(a) Contingent liabilities

Under the bank facilities agreement, cross guarantees exist between each of the Group companies which could be enforced by the financiers, if the borrowers were to be in default of the finance agreement. Each member of the Group is therefore irrevocably, unconditionally and jointly and severally liable as principal obligor. The amount of Group facilities outstanding is as follows:

	2015	2014
	QR '000	QR '000
Letters of guarantees	499,724	525,361
Letters of credit	71,604	34,271
Stand-by letter of credit	800,781	635,340
	1,372,109	1,194,972

The stand-by letters of credit are provided by commercial banks in favour of the suppliers of gold who have loaned gold on an unfixed basis to the Group (refer note 15(d)).

(b) Commitments

Capital commitments

	2015	2014
	QR '000	QR '000
Capital work in progress – contracted but not provided for	61,215	13,493

26. CONTINGENCIES AND COMMITMENTS (CONTINUED)

(b) Commitments (continued)

Operating lease commitments under non-cancellable lease arrangements:

	2015 QR '000	2014 QR '000
Less than one year	**142,721**	136,484
1 to 5 years	**130,223**	153,161
	272,944	289,645

Other commitment

	2015 QR '000	2014 QR '000
Forward contract in Euro	**1,129,632**	--
Fair value of the Euro forward contract	**17,954**	--

(c) Contingent liabilities and commitments related to joint ventures and associates

	2015 QR '000	2014 QR '000
Contingent liabilities		
- Guarantees	**73,154**	74,046
- Letters of credit	**79,930**	88,735
	153,084	162,781
Operating lease commitments		
- Less than one year	**14,539**	12,227
- 1 to 5 years	**8,703**	21,249
	23,242	33,476

27. FINANCIAL INSTRUMENTS

Financial instruments represent any contractual agreement that creates a financial asset, financial liability or an equity instrument. The Group's principal financial liabilities comprise of interest bearing loans and borrowings, bank overdrafts, accounts payable, amounts due to related parties and other payables. The main purpose of these financial liabilities is to finance the Group's operations. The Group's financial assets comprise of bank balances and cash, accounts and retention receivable, available for sale financial investments, amounts due from related parties and certain other receivables that arise directly from its operation.

27. FINANCIAL INSTRUMENTS (CONTINUED)

Fair value measurements

This note provides information about how the Group determines fair values of various financial assets and financial liabilities.

Some of the Group's financial assets and financial liabilities are measured at fair value at the end of each reporting period. The following table gives information about how the fair values of these financial assets and financial liabilities are determined.

Financial assets/financial liabilities	Fair value as at December 31, 2015	2014	Fair value Hierarchy
	QR '000	QR '000	
Available-for-sale investments	14,988	16,321	Level 3
	14,988	16,321	

There is no in or out movement from Level 3 fair value measurements. The investments classified under Level 3 category have been fair-valued based on information available for each investment.

AFS investments amounting to QR. 28.70 million (2014: QR. 26.62 million) are carried at cost, since their fair value cannot be reliably estimated.

All other financial assets and liabilities are carried at amortized cost. The fair values of the financial assets and liabilities are not materially different from their carrying values in the consolidated statement of financial position, as these assets and liabilities are either of short term maturities or are re-priced frequently based on market movement in interest rates.

Fair value sensitivity analysis
The following table shows the sensitivity of fair values to 10% increase or decrease as at December 31:

	2015	2014
Basis points	+/-1,000	+/-1,000
Effect on equity (QR '000)	+/-1,499	+/-1,632

28. FINANCIAL RISK MANAGEMENT

The Group is exposed to credit risk, liquidity risk and market risks such as currency risk, price risk and interest rate risk. The Group monitors and manages the risks relating to its operations through internal risk reports. The major risks are discussed below.

Market risk
Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices comprise four types of risk: interest rate risk, currency risk, commodity price risk and other price risk, such as equity price risk.

Interest rate risk
Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's bank balances (call deposits), bank overdraft and interest bearing loans and borrowings, which bear floating interest rate.

The following summary sets out the Group's exposure to interest rate risk as of December 31:

	2015	2014
	QR '000	QR '000
Bank deposits and call accounts	**41,616**	31,153
Bank overdraft	**(288,519)**	(348,362)
Interest bearing loans and borrowings	**(2,496,734)**	(2,619,252)
	(2,743,637)	(2,936,461)

The Group is exposed to interest rate risk as it maintains and borrows funds at floating interest rates. The following table demonstrates the sensitivity of the Group's profit to reasonably possible changes in interest rates, with all other variables held constant. The sensitivity of the profit is the effect of the assumed changes in interest rate on the Group's profit for one year, based on the floating rate financial assets and financial liabilities held at December 31,:

	2015	2014
Basis points	**+/-25**	+/-25
Effect on profit for the year (QR '000)	**-/+6,859**	-/+7,341

Credit risk
Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in a financial loss to the Group. The Group has adopted a policy of only dealing with creditworthy counterparties. Credit risk on bank balances is limited as they are placed with banks having good credit rating. The Group's exposure to counterparties is continuously monitored. Credit exposure is controlled by counterparty limits that are reviewed and approved by management. The credit terms for accounts receivable are 30 to 180 days.

28. FINANCIAL RISK MANAGEMENT (CONTINUED)

Credit risk (continued)

With respect to credit risk arising from the financial assets of the Group, the Group's exposure to credit risk arises from default of the counter party, with a maximum exposure equal to the carrying amount of these instruments as follows:

	2015	2014
	QR '000	QR '000
Bank balances (excluding cash on hand)	**144,582**	109,427
Accounts receivable and others	**883,415**	883,067
Amounts due from related parties	**53,094**	55,173
	1,081,091	1,047,667

Foreign currency risk

Foreign currency risk is the risk that the value of financial instruments will fluctuate due to changes in foreign exchange rates. The foreign currency exposure is minimal since the Group deals mostly in Qatari Riyal and US Dollars. Balances in other GCC currencies, with the exception of Kuwaiti Dinar, do not expose the Group to significant currency risk since they are pegged to the US Dollar. The following table details the Group's sensitivity to an increase or decrease in Qatari Riyal against the relevant foreign currencies.

The sensitivity analysis includes only outstanding foreign currency denominated monetary items and the impact of a change in the exchange rates are as follows:

Net Exposure (Liability)	**2015**	2014
	QR '000	QR '000
EURO	**12,133**	33,400
GBP	**5,467**	9,967
Other currencies	**5,667**	13,800
	23,267	57,167

	Increase/decrease in Euro, GBP and other rates to the QR	Effect on profit before tax QR '000
2015	**+/- 3%**	**-/+ 698**
2014	+/- 3%	-/+ 1,715

28. FINANCIAL RISK MANAGEMENT (CONTINUED)

Liquidity risk
Liquidity risk is the risk that the Group will not be able to meet its 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 Group's operations and reputation.

The Group limits its liquidity risk by ensuring bank facilities are available. The Group's terms of sale require amounts to be paid within 30-180 days of the date of sale.

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 rates.

	Less than 1 year	**1 to 5 years**	**Total**
At December 31, 2015	**QR '000**	**QR '000**	**QR '000**
Accounts payable and accruals	**953,893**	**17,393**	**971,286**
Amounts due to related parties	**1,041**	--	**1,041**
Interest bearing loans and borrowings at gross	**1,056,114**	**1,527,471**	**2,583,585**
Bank overdrafts	**288,519**	--	**288,519**
Total	**2,299,567**	**1,544,864**	**3,844,431**

	Less than 1 year	1 to 5 years	Total
At December 31, 2014	QR '000	QR '000	QR '000
Account payable and accruals	927,848	31,217	959,065
Amounts due to related parties	6,481	--	6,481
Interest bearing loans and borrowings at gross	1,937,671	779,780	2,717,451
Bank overdrafts	348,362	--	348,362
Total	3,220,362	810,997	4,031,359

28. FINANCIAL RISK MANAGEMENT (CONTINUED)

Capital management
The Group manages its capital structure to ensure that it will be able to continue as a going concern while maximizing the return to shareholders through the optimization of debt and equity balances. The Group's overall strategy remains unchanged from 2014. The Group monitors its capital using a gearing ratio which is net debt divided by total equity. The Group includes within the net debt, interest bearing loans and borrowings (included in Note 15) and bank overdraft less bank balances and cash.

Gearing ratio
The gearing ratio at December 31, is as follows:

	2015	2014
	QR '000	QR '000
Debt	2,785,253	2,967,614
Bank balances and cash	(150,302)	(114,263)
Net debt	2,634,951	2,853,351
Total equity	2,408,422	2,166,178
Add: acquisition reserve	588,058	588,058
	2,996,480	2,754,236
Gearing ratio	**0.88:1**	1.04:1

29. SUBSEQUENT EVENTS

(a) Mannai Corporation has entered into an agreement to acquire 51% interest in GFI Informatique, a French public listed company, this agreement is pending regulatory clearance as at the reporting date.

(b) Axiom has a 40% stake in Allied International Investment Limited ("AIIL"). On 27 December 2015, the 60% shareholder ("Other shareholder") and Axiom signed an agreement ("SPA") with a buyer who will purchase 52% of each shareholders share in AIIL for USD 300 million. The completion of the SPA is subject to certain condition precedents which the buyer needs to fulfill.