Qatari Investors Group
مجموعة المستثمرين القطريين

CREATING LONG TERM VALUE FOR A BETTER FUTURE

2013 ANNUAL REPORT

In the Name of Allah,
Most Gracious Most Merciful

His Highness
Sheikh Tamim bin Hamad Al Thani
Emir of the State of Qatar

His Highness
Sheikh Hamad bin Khalifa Al Thani
Father Emir

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Our Commitment

To create and maximize our value to our shareholders, investors, clients, partners, employees and to the community; fostering a corporate culture where we are committed and united in all our efforts to protect and enhance our stakeholder value.

Our Vision

- Building strong brands that meets consumer needs and aspirations.
- Create sustainable value for our shareholders and stakeholders alike.
- Applying the state of the art technology, in compliance with international standards.
- Adopting environment friendly protection strategies.

Our Core Values

We believe that good business practices, transparency in corporate financial reporting and the highest level of corporate governance, are essential components of our success and development in striving for Excellence.

- Provide Administrative and Human Resources Management services, to enhance and support the company goals towards its fulfillment.
- To effectively service our commitment to the people and to the nation.
- To be a premium global conglomerate with a clear focus.

Our Mission

1 - Aiming High:
Envisioned to be one of the largest Intelligent Investment Groups along with other services in the Country. Our growth will be through continuous review of potentials of the existing manufacturing resources, strategic acquisitions, upgrade and expansions.

2 - Quality:
Product quality, consistency and customer-oriented service will be pursued as an act of faith throughout the organization.

3 - Modern Mindset:
In an environment which is intensively competitive, we shall be futuristic in outlook and effective in management.

4 - Human Resources:
We consider our people as our most valued asset.

5 - Value:
Qatari Investors Group will continuously strive to enhance its value to its Shareholders, Clienteles and Employees.

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CHAIRMAN'S MESSAGE

Dear Shareholders,

Peace and Mercy of God be upon you.

2013 proved to be the milestone year for Qatari Investors Group. The company achieved steady growth that highly credited to your continued trust and dedication. Despite intensifying competition, we recorded historic sales revenue and operating profit that strengthened our leadership in the region.

I am pleased to report that we produced significant, positive results for our investors, communities, employees and stockholders.

This year, we sharpen our market leadership across core areas and accelerate developing businesses to maintain our strong performance. With our newly reorganized structure, we will aggressively respond to rapidly changing business environments as we steer new investments initiatives, pioneer new markets and identify business opportunities.

We strongly believe in our role to help build Qatar's economy and support its infrastructure, which is one of the mainstays of our nation to set off towards excellence, in building and developing a group of companies that revolve around a central integrated system.

The Board of Directors of Qatari Investors Group (Q.S. C.) is thus pleased to introduce the report on the performance of the Company and its financial position during the year ended 31 December 2013.

The Consolidated Statement of Income highlights Qatari Investors Group's achievements during the year 2013, with growth in revenue reaching QAR 548,378,053 as a result of the Company's investments in various sectors. Furthermore, total assets value by 31 December 2013 reached QAR 3,602,676,100 which resulted in a net profit of QAR 220,671,069 which yields a basic earnings per share of QAR 1.77. Note that the net profit achieved for the same period in 2012 amounted to QAR 152,259,565 with basic earnings per share of QAR 1.22.

QIG's long standing commitment towards sustainability remains the pillar of our strategy. The power to keep growing is directly fueled by the trust and dedication of our customers, shareholders and the society. Looking ahead in 2014, Qatari Investors Group will continue to work toward the change and innovation that inspires and shape a new future.

Finally, on behalf of the Board of Directors and the management team of Qatari Investors Group, I sincerely express my deepest thanks to the shareholders, the Qatari government and non-government authorities, Qatar Financial Markets Authority, Qatar Exchange, Qatar Central Securities Depository and to all our employees, for their continued support and untiring effort to achieve our goals and fulfill our commitments as one of the leading conglomerates in the country.
May peace and God's mercy be upon us all.

Abdullah bin Nasser Al-Misnad
Chairman

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THE BOARD OF DIRECTORS

H.E. Mr. Abdullah Nasser Al Misnad
Chairman

H.E. Shk. Hamad bin Faisal Thani Jassim Al Thani
Vice Chairman

H.E. Dr. Khalid bin Mohammed Al Attia
Board Member

H.E. Mr. Mohammed bin Ahmad Al Misnad
Board Member

Mr. Mohammed bin Misnad Al Misnad
Board Member

Mr. Mohammed Hassan Al Saadi
Board Member

Mr. Faisal Abdullah Al Mana
Board Member

BOARD OF DIRECTORS REPORT

The Board of Directors of Qatari Investors Group (Q.S.C) was pleased to introduce the report on the performance of the company and its financial position during the year 2013. The reported Company's achievements will serve as a foundation for shaping the future of the Company by aiming to strengthen the spirit of cooperation and partnership between the Board of Directors and its shareholders.

Qatari Investors Group achieved during the year 2013 a growth in revenue reaching QAR 548,378,053, as a result of the company>s investments in various aspects. Total assets value by 31 December 2013 reached QAR 3,602,676,100, which resulted in a net profit of QAR 220,671,069 with basic earnings per share of QAR 1.77. In comparison, the net profit achieved for the same period in 2012 amounted to QAR 152, 259,565 with basic earnings per share of QAR 1.22.

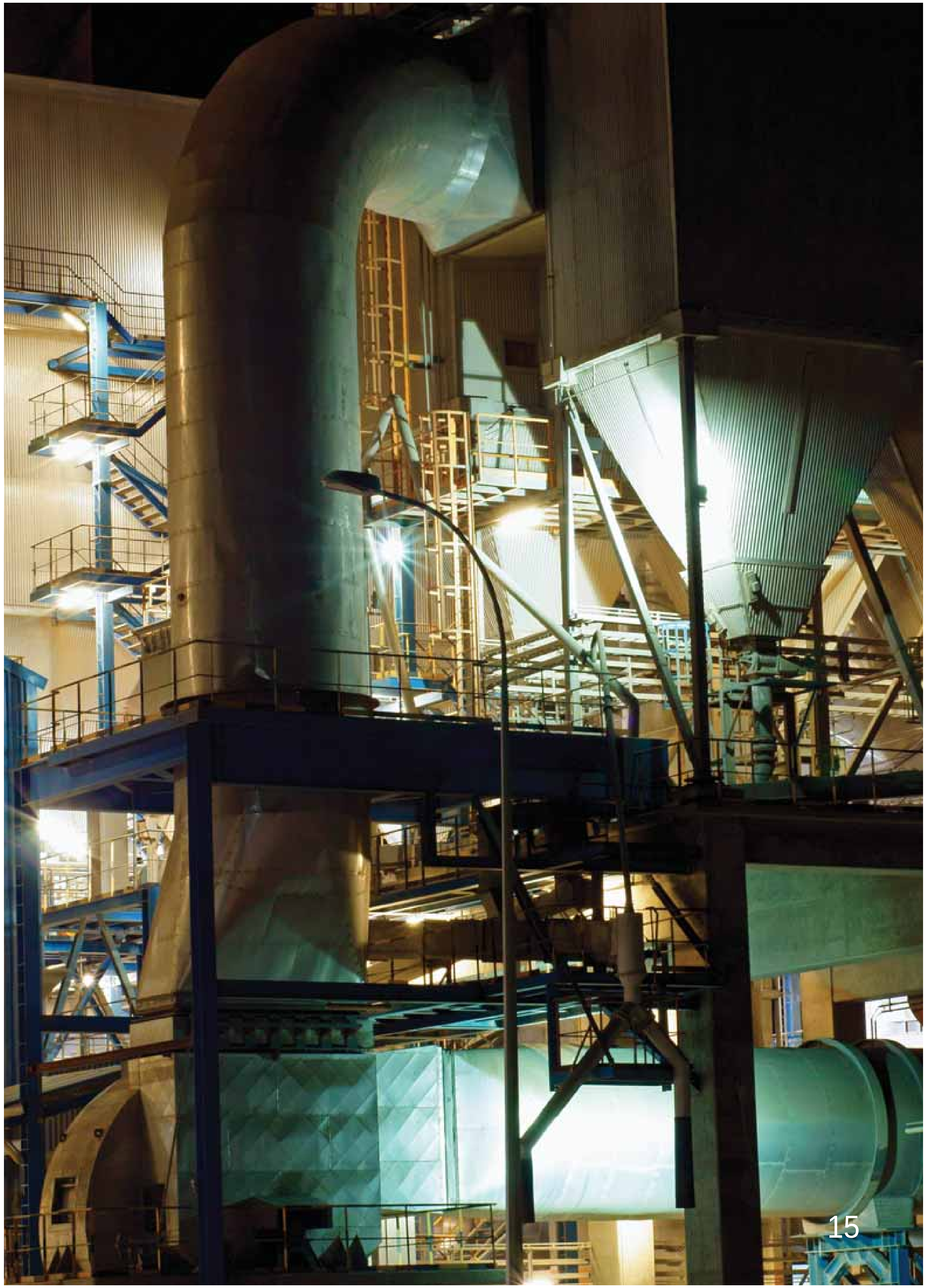
From there, the Board continues to constantly work on developing the activities of the Group and its subsidiaries in all sectors thus ensuring stability in performance and the avoidance of dependence on a single activity sector. Perhaps the most prominent of plans, expected to be implemented in the year 2014, is the achievement of the first phase of a new cement production line as part of the activities of Qatari Investors Group (QIG). Furthermore, the Group aims to complete the first phase of the Lusail Tower as part of the plan to develop the real estate sector. During the current year, the Group strives to find new investment opportunities through which to support the Company's profits, which in turn reflects on the Shareholder interest.

I would like to extend my compliments to one and all, for this significant accomplishment of the Company. It is the successful cooperation between the Board of Directors, Executive Managers and to our dear employees that ushers Qatari Investors Group into a new era of development.

In conclusion, I would like to note that the Board of Directors of Qatari Investor Group are keen to gain your trust; we pray to God to help us to deliver more efforts to keep your precious trust, putting the same as a medal on our hearts.

May peace and God's mercy and blessings be upon us all.

Abdullah Nasser Al Misnad
Chairman



THE EXECUTIVE MANAGEMENT

H.E. Mr. Abdullah Nasser Al Misnad
Chairman

A member of the Board since May 2006 (appointed by the Public Shareholders) and was appointed as Chairman of the Board on 2006.
Mr. Al-Misnad is the Chairman & Managing Director of Al Misnad Holding Company which has been involved in private sector businesses since the 1950s. The Al Misnad Holding Company owns and manages several companies with diverse business activities that promote economic growth and development in the State of Qatar. Mr. Abdulla Al-Misnad is also the Vice Chairman of Al Khaliji Bank.

Mr. Omar Al Hassan
Business Development Manager

Joined QIG Holding in September 2009 to follow up all areas of investments of the company.
Mr. Omar gained 10 working years general experience in Administration, Public Relations and Media Scope, in addition to Organization of Conferences and Exhibitions.
He holds a degree in Business Administration and continuing his Information Technology Degree from Qatar University.
He has attended many International Conferences & Workshop in the field of Leadership & Management.

Mr. Ayman El Drieny
Internal Audit Manager

Joined QIG Holding in November 2009. Mr. Ayman holds a Bachelor Degree in Auditing & Accounting.
He is a member of the Institute of Management and has more than I 0 years' experience in audit with international companies, including Deloitte & Touché and KPMG. He gained extensive experience in the areas of construction, real estate, retails and transportation.

Mr. Hany Abouayash
Legal Advisor
Board of Directors Secretary

Joined QIG Holding in September 2009. Mr Hany has 12 3 year's of work experience with national and multi-national companies both in Corporate and law firm sector.
He gained licensure from BAR Association of Egypt in 2001.
Additional Courses earned: FIDIC Forms & Claims in Construction Industry from the American University Cairo (AUC); Corporate Governance for Audit Committee & SME's; Performance Management.

Mr. Firas Ibrahim
Chief Administration Officer

Firas possesses over 16 years of experience, in the corporate as well as consulting environments, in several multinational, local and governmental organizations operating in all or part of Middle East & Africa region and in numerous industries. Firas holds a Masters of Science in Human Resource Management and numerous training and certifications in Information Systems, Human Resource Management, Occupational Psychology and Quality in addition to being a member of professional bodies like SHRM and EFQM. Prior to QIG, he held management roles in blue-chip companies such as Philips and General Electric.

Mr. Faisal Abdullah Al Mana
Managing Director – Al Khalij Cement

Appointed Managing Director of Al Khalij Cement Company (subsidiary of QIG) in June 2012. At present, he is the Committee Chairman of the Audit Committee and member of Remuneration Committee of the Board. Other key positions held by Mr Al Mana were Vice-Chairman of REDCO-Al Mana Group; Board of Directors of Al Raya- representing the Ministry of Economy and Finance; Director of Project Development, Qatar Development Bank; Member, Organizing Committee of the World Trade Conference; Financial Researcher-Banking Supervision, Qatar Development Bank; Foreign Trade Researcher, Ministry of Economy and Finance.

Mr. Jose Escalera
Al Khalij Cement Operations Manager

Joined Al Khalij Cement Company September 2012 having more than 16 years of experience in Cement Industry from different countries.
Prior to joining Al Khalij Cement Company, he worked as Cement Plant Director at CEMEX Spain and previously has worked for CEMEX UAE as Cement and Slag Operations Director and CEMEX Spain where he assumed different roles in Operation Management. Mr Jose holds a Degree in Chemistry, Chemical Engineering, from Complutense University (Madrid - SPAIN).

Mr. David Drain
Al Khalij Cement Maintenance Manager

Joined Al Khalij Cement Company in August 2012, with over 20 years of experience in mechanical maintenance and engineering gained in the Royal Navy and manufacturing industries ranging from plastic injection molding to concrete products. He spent the last six years with Lafarge Cement UK as Projects Manager then Maintenance Manager. He completed his training with the Royal Navy as a Marine Engineer Artificer.

Mr. V. Krishnan
Al Khalij Cement Process Manager

Joined Al Khalij Cement Company in September 2006, having more than 23 years of experience in various cement plants across the world. Mr. Krishnan graduated as a Chemical Engineer and has worked for 11 years in Indian Cement Industry and 6 Years with FLSmidth as Process Manager.

MANAGEMENT REPORT

A. Qatar Security Systems

QSS is a “Systems Engineering House” and specializes in adding value to products manufactured by others. Our skills are in the production of engineered solutions to clients’ security requirements and in this respect we offer special skills not only to end users but also to many major engineering houses who are engaged in “Turnkey” projects.

QSS specializes in the Design, Engineering, Assembly, Installation, Commissioning and Maintenance of Integrated Security, Safety, Closed Circuit Television (CCTV), Access Control, Fire Alarm, Industrial Surveillance and monitoring Public Address & Voice Evacuation, Perimeter Protection, Road Blocking, Baggage Scanning and X-Ray Systems.

Our wide range of expertise enables us to offer our clients total solutions packages.

QSS operates in the systems business and as a systems integrator we provide “state of the art” expandable solutions. We do more than just sell black boxes; our whole business is based on the provision of complex high tier systems where our expertise and added value capabilities come into their own.

Qatar Security Systems company’s prestigious customers include:

- DIWAN AMIRI
- HH the Emir of the State of Qatar
- H.E. The Minister of Foreign Affairs
- Hamad Medical Corporation
- Qatar Armed Forces
- I.S.F.
- Amiri Guard
- Customs and Ports Authority
- Qatar Gas
- Qatar Petroleum
- Ras Gas
- Ras Laffan City Industrial Management
- S.P.O. (Special Project Office)
- Qatar Armed Forces (General Headquarters Qatar Navy; Qatar Air Force)
- Awqaf Board
- Doha International Airport
- Hamad International Airport
- Qatar Olympic Committee
- Al Saad Stadium
- Al Rayyan Stadium
- Al Wakra Stadium
- Al Ittihad Stadium
- Private Engineering Office (PEO)
- 44 West Bay
- Al Dana Tower
- Palm Tower II
- Oil & Gas Industries
- Other Private and Non-Private Sectors

QSS’s partners include some of the best known and established Security and Safety Equipment and Manufacturing Companies from UK, Europe and the U.S.A.:

- American Dynamics – CCTV
- Thorn Security – Fire Alarm
- SoftwareHouse – Access Control
- Gunnebo – Perimeter Protection
- Smiths Detection – X-Ray Screening
- Mauell – Video Wall
- Mauell – total Integrated Solution
- Proximex – Physical Security

B. International Technical & Trading Company

International Technical & Trading Company is a specialized trading division of Qatari Investors Group which has successfully been awarded and carried out a number of projects in varied level of fields. We provide products and consultancy services over a broad spectrum of needs of the Qatar market. We represent several internationally renowned companies for large projects in Qatar.

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Areas of Expertise:

- Electronic Displays
- Sports Industry
- Specialized Vehicles
- International Projects

Projects in Qatar

- Racing and Equestrian Club (REC)
- CAMEL RACING COMMITTEE
- CAMEL RACING COMMITTEE
- ASPIRE LOGISTICS - NEW HAMAD AQUATIC
- ASPIRE LOGISTICS OLD - HAMAD AQUATIC
- QATAR FOUNDATION QATAR ACADEMY

C. QIG Industries Company

QIG Industries continues to maintain its commitment towards excellence amidst various constraints that have been encountered. This is mainly due to the performance of its subsidiaries during the year 2013.

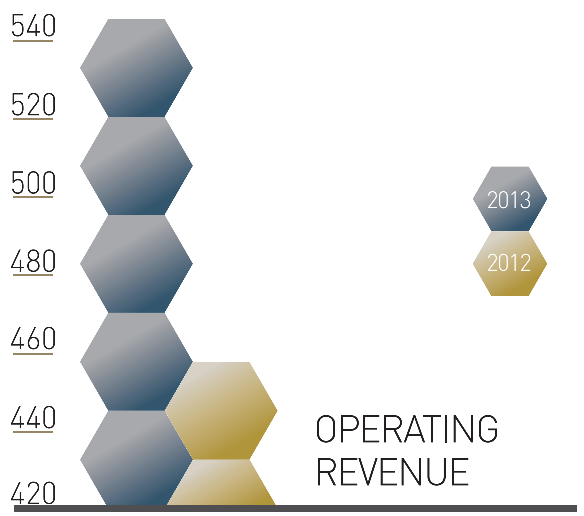
Al Khalij Cement Company, one of QIG Industries subsidiaries is achieving 6,000MT of clinker per day and the total clinker volume produced during 2013 is 1,935,350 tons, which represents 21,350 tons above budget, showing an increase of 43.1% compared to 2012, while cement production increased by 25.7%. Kiln Mean Time Between Failures (MTBF) increased 94% compared to 2012, culminating with the achievement of longest continuous running times for the Kiln above 1,000 hours. Because of its steady growth and to meet the demand of the market in the region, the realization of an expansion was concluded when the project was awarded to CNBM, one of China’s integrated service suppliers of international trade in building materials. The agreement was signed off between Al Khalij Cement and CNBM by middle of December 2013 in collaboration with FLSmidth, one of the global leading suppliers of equipment, services and expertise for the cement and minerals industries, for a 5,800TPD Clinker Production Line. The works are in progress starting end of December 2013.

AKCC further pushes forward its full commitment to Sustainability and Quality. Due to the potential increase of Sulphate Resistant Cement (SRC) demand in Qatar, Cement Operations is currently being adapted to manufacture and distribute such type of cement. Keeping pace with the market in this way enables us to continuously improve our customers’ satisfaction and aspire to improve the Company’s overall image in the market.

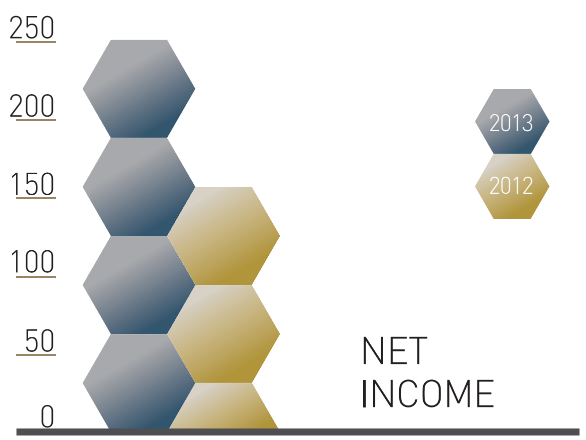
At present, Al Khalij Cement Company is on the process of developing (leading to future implementation) of an Integrated Management System, which is designed to obtain accreditation to ISO 9001, 14001 and OHSAS 18001 in one system.

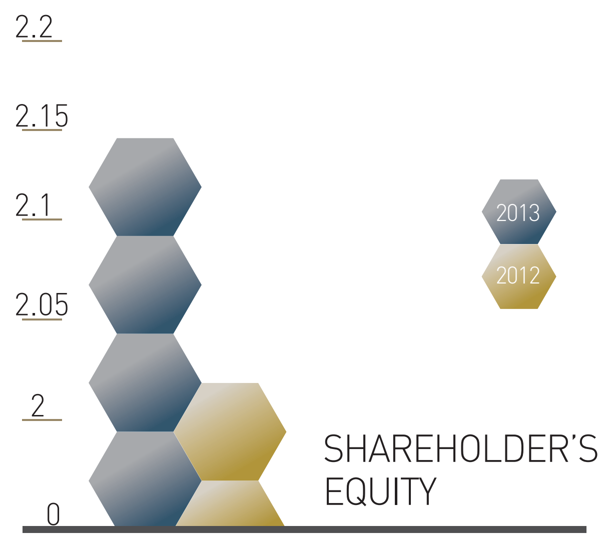
FINANCIAL HIGHLIGHTS

During the year 2013, the total operating revenue of Qatari Investors Group reached to QR548million against QR 464million in the year 2012.



Our net income during the year 2013 stood at QR222million against QR152million in the year 2012.





Our shareholder's Equity during the year 2013 reached to QR2.145billion against to QR2.016 billion in 2012.

The basic Earnings per Share during the year 2013 increased to QR1.79 per share against QR 1.22 per share on the year 2012.

FINANCIAL RESULTS

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INDEPENDENT AUDITORS' REPORT

To
The Shareholders
Qatari Investors Group Q.S.C.
Doha
State of Qatar

Report on the consolidated financial statements

We have audited the accompanying consolidated financial statements of Qatari Investors Group Q.S.C. (the "Company") and its subsidiaries, (together referred to as the "Group"), which comprise the consolidated statement of financial position as at 31 December 2013, the consolidated statements of profit or loss and other comprehensive income, changes in equity and cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

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

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on our 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, we consider internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide.

Opinion
In our opinion, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at 31 December 2013, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards.

Report on legal and other regulatory requirements

We have obtained all the information and explanation which we considered necessary for the purpose of our audit. The Company has maintained proper accounting records and the consolidated financial statements are in agreement therewith, and the physical count of inventories was carried out in accordance with the established principles. We reviewed the report of the Board of Directors and confirm that the financial information contained therein is in agreement with the books and records of the Company. We are not aware of any violations of the provisions of Qatar Commercial Companies Law No. 5 of 2002 or the terms of the Company's Articles of Association having occurred during the year which might have had a material adverse effect on the business of the Company or its consolidated financial position as at 31 December 2013.

9 February 2014	Yacoub Hobeika
Doha	KPMG
State of Qatar	Qatar Auditor's Registry No. 289

Qatari Investors Group Q.S.C.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2013 In Qatari Riyals

	Note	31 December 2013	31 December 2012
Assets			
Intangible assets	9	3,014,228	758,904
Property, plant and equipment	10	1,921,969,108	1,970,248,242
Goodwill	11	314,457,585	314,457,585
Investment property	12	495,492,613	494,818,875
Equity accounted investees	13	48,758,844	48,182,944
Available-for-sale investments	14	3,949,358	3,724,088
Non-current assets		**2,787,641,736**	2,832,190,638
Inventories	15	131,134,866	55,309,850
Due from customer for contracts work		6,361,317	908,409
Accounts and other receivables	16	146,195,265	148,252,317
Due from related parties	17.b	870,500	645,626
Advances to suppliers		118,424,649	10,564,423
Prepayments and other receivables	18	12,844,320	15,535,365
Cash and bank balances	19	399,203,447	268,018,130
Current assets		**815,034,364**	499,234,120
Total assets		**3,602,676,100**	3,331,424,758
Equity (page 5)			
Share capital	20	1,243,267,780	1,243,267,780
Legal reserve	21	520,218,378	498,151,271
Fair value reserve	14	(1,037,597)	(1,262,865)
Retained earnings		282,392,641	182,550,539
Proposed dividends		93,245,084	93,245,084
Total equity		2,138,086,286	2,015,951,809
Liabilities			
Loans and borrowings	22	1,125,298,249	980,469,700
Employees' end of service benefits	23	5,146,192	3,606,439
Notes payable	24	-	3,447,209
Retention payables		-	31,295,815
Non-current liabilities		1,130,444,441	1,018,819,163
Loans and borrowings	22	37,201,817	34,226,828
Due to customer for contracts work		-	5,752,557
Accounts and other payables		36,675,105	36,058,327
Due to related parties	17.c	164,697	164,697
Retention payables		62,363,287	31,295,815
Notes payable	24	3,927,850	14,277,596
Accruals and other liabilities	25	193,812,617	174,877,966
Current liabilities		334,145,373	296,653,786
Total liabilities		1,464,589,814	1,315,472,949
Total equity and liabilities		**3,602,676,100**	3,331,424,758

These consolidated financial statements were approved by the board of directors and were signed on their behalf by the following on 9 February 2014.

Mr. Abdullah bin Nasser Al-Misnad
Chairman

The attached notes from 1 to 36 form an integral part of these consolidated financial statements.

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Qatari Investors Group Q.S.C.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

AS AT 31 DECEMBER 2013 In Qatari Riyals

	Note	2013	2012
Revenue	26	548,378,053	464,550,601
Cost of revenue	27	(254,215,994)	(276,771,981)
Gross profit		294,162,059	187,778,620
Other income		9,575,750	6,980,713
Income from changes in fair value of investment properties	12	(2,731,926)	7,247,115
Realized gain from sale of available for sale investments		-	7,262,178
Selling and distribution expenses	28	(13,115,723)	(12,606,478)
General and administrative expenses	29	(48,803,841)	(49,708,026)
Operating profit		239,086,319	146,954,122
Finance income	30	2,311,440	102,784
Finance costs	30	(39,364,079)	(8,022,297)
Net finance costs		(37,052,639)	(7,919,513)
Share of profit of equity-accounted investees	13	18,637,389	13,224,956
Profit		**220,671,069**	152,259,565
Other comprehensive income			
Items that will never be reclassified to profit or loss			
-		-	-
Items that are or may be reclassified subsequently to profit or loss			
Net change in fair value of available-for-sale investments	14	225,268	(6,137,029)
Other comprehensive income		225,268	(6,137,029)
Total comprehensive income		**220,896,337**	146,122,536
Basic earnings per share	32	**1.77**	1.22

The attached notes from 1 to 36 form an integral part of these consolidated financial statements.

Qatari Investors Group Q.S.C.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

AS AT 31 DECEMBER 2013 In Qatari Riyals

	Share capital	Legal reserve	Fair value reserve	Retained earnings	Proposed dividends	Total
Balance at 1 January 2012	1,243,267,780	482,925,314	4,874,164	142,568,505	62,163,389	1,935,799,152
Total comprehensive income						
Profit	-	-	-	152,259,565	-	152,259,565
Other comprehensive loss	-	-	(6,137,029)	-	-	(6,137,029)
Total comprehensive income	-	-	(6,137,029)	152,259,565	-	146,122,536
Transfer to legal reserve	-	15,225,957	-	(15,225,957)	-	-
Social and support fund contribution	-	-	-	(3,806,490)	-	(3,806,490)
Proposed dividends to the shareholders	-	-	-	(93,245,084)	93,245,084	-
Dividends paid	-	-	-	-	(62,163,389)	(62,163,389)
Balance at 31 December 2012	1,243,267,780	498,151,271	(1,262,865)	182,550,539	93,245,084	2,015,951,809
Balance at 1 January 2013	1,243,267,780	498,151,271	(1,262,865)	182,550,539	93,245,084	2,015,951,809
Total comprehensive income						
Profit	-	-	-	220,671,069	-	220,671,069
Other comprehensive income	-	-	225,268	-	-	225,268
Total comprehensive income	-	-	225,268	220,671,069	-	220,896,337
Transfer to legal reserve	-	22,067,107	-	(22,067,107)	-	-
Social and support fund contribution	-	-	-	(5,516,776)	-	(5,516,776)
Proposed dividends to the shareholders	-	-	-	(93,245,084)	93,245,084	-
Dividends paid	-	-	-	-	(93,245,084)	(93,245,084)
Balance at 31 December 2013	**1,243,267,780**	**520,218,378**	**(1,037,597)**	**282,392,641**	**93,245,084**	**2,138,086,286**

The attached notes from 1 to 36 form an integral part of these consolidated financial statements.

Qatari Investors Group Q.S.C.

CONSOLIDATED STATEMENT OF CASH FLOWS

AS AT 31 DECEMBER 2013 In Qatari Riyals

	Note	31 December 2013	31 December 2012
Cash flows from operating activities			
Profit		220,671,069	152,259,565
Adjustments for:			
- Depreciation of property, plant and equipment	10	65,983,142	16,035,954
- Change in fair value of investment property	12	2,731,926	(7,247,115)
- Accrued finance cost	30	39,364,079	8,022,297
- Share of profit of equity-accounted investees	13	(18,637,389)	(13,224,956)
- Provision for slow moving and damaged inventory	15	(1,242,391)	1,242,391
- Impairment loss on trade receivables	16	-	2,340,287
- Gain on sale of available-for-sales investment	14	-	(7,262,178)
- Gain on sale or disposal of property, plant and equipment	10	(58,247)	(121,494)
- Employees' end of service benefits provided	23	2,332,654	1,440,926
		311,144,843	153,485,677
Changes in:			
- Inventories		(74,582,625)	14,185,196
- Due from customers for contracts work		(5,452,908)	1,270,177
- Accounts and other receivables		2,057,052	(81,206,527)
- Due from related parties		(224,874)	93,726
- Advances to suppliers		(107,860,226)	53,131,904
- Prepayments and other receivables		2,473,045	557,349
- Due to customers for contracts work		(5,752,557)	4,535,531
- Accounts and other payables		616,778	1,739,775
- Due to related parties		-	(134,850)
- Retention payables		(228,343)	(1,276,010)
- Accruals and other liabilities		5,662,734	133,867,637
Cash generated from operating activities		127,852,919	280,249,585
Employees' end of service benefits paid	23	(792,901)	(470,129)
Finance cost paid	30	(1,192,385)	(5,672,832)
Net cash from operating activities		**125,867,633**	274,106,624
Cash flows from investing activities			
Proceeds from sale of available-for-sale investments		-	88,182,742
Proceeds from sales of investment properties		-	4,674,150
Proceeds from sales of property, plant and equipment		447,672	489,508
Disposal of equity accounted investees		-	502,000
Acquisition of intangible assets	9	(2,255,324)	(758,904)
Acquisition of property, plant and equipment	10	(18,093,433)	(210,341,074)
Acquisition of investment property	12	(3,405,664)	(40,000)
Additional acquisition of equity accounted investees	13	(1,100,000)	(4,400,000)
Dividends from equity accounted investees	13	19,161,489	12,636,421
Net cash from/(used in) investing activities		**(5,245,260)**	(109,055,157)
Cash flows from financing activities			
Proceeds from borrowings		165,276,657	988,938,527
Repayment of borrowings		(55,426,815)	(932,145,888)
Payment of social and sports activities contribution		(3,806,490)	(1,849,750)
Notes payable		(13,796,955)	(13,281,628)
Dividends paid		(93,245,084)	(62,163,389)
Net cash used in financing activities		(998,687)	(20,502,128)
Net increase in unrestricted cash and cash equivalents for the year		**119,623,686**	144,549,339
Unrestricted cash and cash equivalents at 1 January		250,655,572	106,106,233
Unrestricted cash and cash equivalents at 31 December (note 19)		**370,279,258**	250,655,572

The attached notes from 1 to 36 form an integral part of these consolidated financial statements.

Qatari Investors Group Q.S.C.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

AS AT 31 DECEMBER 2013

1. Reporting entity

Qatari Investor Group Q.S.C ("the Company") is a Qatari Shareholding Company incorporated in the state of Qatar on 4 May 2006 under commercial registration No. 32831. The Company is governed by the provisions of the Qatar commercial Companies law No. (5) of 2002 and Qatar Exchange Regulations. These consolidated financial statements comprise the financial statements of the Company and of its wholly owned subsidiaries (collectively, the "Group").

The Group is primarily involved in the production and sale of cement. The Group is also engaged in setting up factories, importing and exporting cement, investing in equity shares, trading and contracting, and real estate.

One of the subsidiaries (Al Khalij Cement Company S.P.C.) had started operation in December 2012. The subsidiary's activities in 2012 were confined to setting up the plant, testing of limited production of cement and clinker, and utilization of the received funds from shareholders in investment activities in addition to financing all the stages of the plant's construction. The subsidiary quarries the limestone, one of the main raw materials used in the cement production, from a leased land located at Umm Bab, Qatar. This land including factory land is leased for a period of 25 years ending 2032 as per an agreement entered with local authorities. Sales of cement were made by one of the subsidiaries (Al Khalij Cement Company S.P.C.) of the Company.

2. Basis of accounting

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs). They were authorized for issue by the Group's board of directors on 2 February 2014.

Details of the Group's accounting policies, including changes during the year, are included in notes 6 and 8.

3. Functional and presentation currency

These consolidated financial statements are presented in Qatari Riyal, which is the Group's functional currency. All amounts have been rounded to the nearest Qatari Riyal, unless otherwise indicated.

4. Use of estimates and judgements

In preparing these consolidated financial statements, management has made judgements, estimates and assumptions that affect the application of the Group's accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

4. Use of estimates and judgements (continued)

a) Judgements

Information about judgements made in applying accounting policies that have the most significant effects on the amounts recognized in the financial statements is included in the following notes:

- Note 18 – prepayments including accrued income: commission revenue and whether the Group acts as an agent in the transaction rather than as a principal
- Note 8.a.II – subsidiaries: whether the Group has de facto control over the investee

b) Assumptions and estimation uncertainties

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in the year ending 31 December 2014 is included in the following notes:

- Note 11 – goodwill impairment: key assumptions underlying expected future cash flows and fair value;
- Notes 25 (accruals) and 34 (contingency) – recognition and measurement of provisions and contingencies: key assumptions about the likelihood and magnitude of an outflow of resources
- Note 16 – impairment of accounts and other receivables
- Note 10 - useful lives, residual values and related depreciation charges of property, plant and equipment
- Note 27 – revenue from long term projects valued using percentage of completion, contract variations and estimated cost of completion
- Furthermore, assumptions and estimate apply to the follows concepts of revenue:

Measurement of fair value

A number of the Group's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

The Group has an established control framework with respect to the measurement of fair values. This includes a valuation team that has overall responsibility for overseeing all significant fair value measurements, including Level 3 fair values, and reports directly to the Managing Director.

The valuation team regularly reviews significant unobservable inputs and valuation adjustments. If third party information, such as broker quotes or pricing services, is used to measure fair values, then the valuation team assesses the evidence obtained from the third parties to support the conclusion that such valuations meet the requirements of IFRS, including the level in the fair value hierarchy in which such valuations should be classified. Significant valuation issues, if any, are reported to the Group Audit Committee. When measuring the fair value of an asset or a liability, the Group uses market observable data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows.

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

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4. Use of estimates and judgements (continued)

c) Assumptions and estimation uncertainties (Continued)

Measurement of fair value (continued)

If the inputs used to measure the fair value of an asset or a liability might be categorised in different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Group recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred. Further information about the assumptions made in measuring fair values is included in the following notes:

- Note 12 investment property; and
- Note 14 available-for-sale investments.

5. Basis of measurement

The consolidated financial statements have been prepared on the historical cost basis except for the following items, which are measured on an alternative basis on each reporting date

Items	Measurement basis
Available-for-sale financial assets	Fair value
Investment property	Fair value

6. Changes in accounting policies

Except for the changes below, the Group has consistently applied the accounting policies set out in note 8 to all periods presented in these consolidated financial statements.

The Group has adopted the following new standards and amendments to standards, including any consequential amendments to other standards, with a date of initial application of 1 January 2013.

i. IAS 1 (amendment) - Presentation of items of other comprehensive income
ii. IAS 19 – Employee benefits (2011)
iii. IAS 28 (2011) – Investment in Associates and Joint ventures
iv. Amendments to IFRS 7 on offsetting financial assets and financial liabilities (2011)
v. IFRS 10 - Consolidated financial statements and IAS 27 Separate Financial Statements (2011)
vi. IFRS 11 – Joint Arrangements
vii. IFRS 12 - Disclosures of interests in other entities
viii. IFRS 13 - Fair value measurement
ix. Improvements to IFRSs (2011)
x. The nature and effects of the changes are explained below.

i) IAS 1 (amendment) - Presentation of items of other comprehensive income

The amendments to IAS 1 require that an entity present separately the items of other comprehensive income that would be reclassified to profit or loss in the future if certain conditions are met from those that would never be reclassified to profit or loss. The adoption of this amendment has resulted in the Group modifying the presentation of items of OCI in its statement of profit or loss and OCI, to present separately items that would be reclassified to profit or loss from

6. Changes in accounting policies (continued)

b) Assumptions and estimation uncertainties (Continued)

those that would never be. Comparative information has been re-presented accordingly.

ii) IAS 19 – Employee benefits (2011)

IAS 19 (2011) changes the definition of short-term and other long-term employee benefits to clarify the distinction between the two.

The adoption of this amendment had no significant impact on the consolidated financial statements.

iii) IAS 28 (2011) – Investment in Associates and Joint ventures

IAS 28 (2011) supersedes IAS 28 (2008). IAS 28 (2011) makes the following amendments;

- Associates held for sale: IFRS 5 Non-current Assets Held for Sale and Discontinued Operations applies to an investment, or a portion of an investment, in an associate or a joint venture that meets the criteria to be classified as held for sale. For any retained portion of the nvestment that has not been classified as held for sale, the entity applies the equity method until disposal of the portion held for sale. After disposal, any retained interest is accounted for using the equity method if the retained interest continues to be an associate or a joint venture, and

- On cessation of significant influence or joint control, even if an investment in an associate becomes an investment in a joint venture or vice versa, the entity does not re-measure the retained interest.

The adoption of this amendment had no significant impact on the consolidated financial statements.

iv) Amendments to IFRS 7 on offsetting financial assets and financial liabilities (2011)

Disclosures – Offsetting Financial Assets and Financial Liabilities (amendments to IFRS 7) introduces disclosures about the impact of netting arrangements on an entity's financial position. Based on the new disclosure requirements the Group has to provide information about what amounts have been offset in the statement of financial position and the nature and extent of rights of set off under master netting arrangements or similar arrangements.

The adoption of this amendment had no significant impact on the consolidated financial statements.

v) IFRS 10 - Consolidated financial statements and IAS 27 Separate Financial Statements (2011)

IFRS 10 introduces a single control model to determine whether an investee should be consolidated. IFRS 10 replaces the parts of previously existing IAS 27 Consolidated and Separate Financial Statements that dealt with consolidated financial statements and SIC-12 Consolidation – Special Purpose Entities. This new control model focuses on whether the Group has power over an investee, exposure or rights to variable returns from its involvement with the investee and ability to use its power to affect those returns. The Group has amended its accounting policy on consolidation in line with requirements of IFRS 10 and has re-assessed its consolidation conclusion.

The reassessment of control and consolidation requirements had no significant impact on the consolidated financial statements.

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6. Changes in accounting policies (continued)

b) Assumptions and estimation uncertainties (Continued)

vi) IFRS 11 – Joint Arrangements

IFRS 11 replaces the parts of previously existing IAS 31 Interests in Joint Ventures that dealt with joint ventures. IFRS 11 requires that interests in joint arrangements be classified as either joint operations (if the Group has rights to the assets, and obligations for the liabilities, relating to an arrangement) or joint ventures (if the Group has rights only to the net assets of an arrangement. When making this assessment, the Group has to consider the structure of the arrangements and other facts and circumstances.

The re-evaluation of involvement in joint arrangements had no significant impact on the consolidated financial statements

vii) IFRS 12 - Disclosures of interests in other entities

IFRS 12 brings together into a single standard all the disclosure requirements about an entity's interests in subsidiaries, joint arrangements, associates and unconsolidated structured entities. It requires the disclosure of information about the nature, risks and financial effects of these interests. As a result of IFRS 12, the Group has expanded its disclosures about its interests in subsidiaries and other structured entities. Refer to notes 8a and 13.

viii) IFRS 13 - Fair value measurement

IFRS 13 provides a single source of guidance on how fair value is measured, and replaces the fair value measurement guidance that is currently dispersed throughout IFRS. It unifies the definition of fair value as 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. It replaces and expands the disclosure requirements about fair value measurements in other IFRSs, including IFRS 7.

As a result, the Group has included additional disclosures in this regard. Please refer to notes 4b, 5, 12, and 14. In accordance with the transitional provisions of IFRS 13, the Group has applied the new fair value measurement guidance prospectively and has not provided any comparative information for new disclosures. Notwithstanding the above, the change had no significant impact on the measurements of the Group's assets and liabilities.

ix) Improvements to IFRSs (2011)

Improvements to IFRS issued in 2011 contained numerous amendments to IFRS that the IASB considers non-urgent but necessary. 'Improvements to IFRS' comprise amendments that result in accounting changes to presentation, recognition or measurement purposes, as well as terminology or editorial amendments related to a variety of individual IFRS standards. There were no significant changes to the current accounting policies of the Group as a result of these amendments.

7. New standards amendments and interpretations issued but not yet effective

A number of new standards, amendments to standards and interpretations are effective for annual periods beginning after 1 January 2013, and have not been applied in preparing these consolidated financial statements. Those which are relevant to the Group are set out below. The Group does not plan to early adopt these standards.

i) IFRS 9 - Financial Instruments

IFRS 9 (2009) introduces new requirements for the classification and measurement of financial assets. IFRS 9 (2010) introduces additions to the standard relating to financial liabilities. The IASB currently has an active project to make limited amendments to the classification and measurement requirements of IFRS 9 and add new requirements to address the impairment of financial assets and hedge accounting.

The IFRS 9 (2009) requirements represent a significant change from the existing requirements in IAS 39 in respect of financial assets. The standard contains two primary measurement categories for financial assets: amortized cost and fair value. A financial asset would be measured at amortized cost if it is held within a business model whose objective is to hold assets in order to collect contractual cash flows, and the asset's contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal outstanding. All other financial assets would be measured at fair value. The standard eliminates the existing IAS 39 categories of held to maturity, available-for-sale and loans and receivables.

For an investment in an equity instrument which is not held for trading, the standard permits an irrevocable election, on initial recognition, on an individual share-by-share basis, to present all fair value changes from the investment in other comprehensive income. No amount recognized in other comprehensive income would ever be reclassified to profit or loss at a later date. However, dividends on such investments are recognized in profit or loss, rather than other comprehensive income unless they clearly represent a partial recovery of the cost of the investment. Investments in equity instruments in respect of which an entity does not elect to present fair value changes in other comprehensive income would be measured at fair value with changes in fair value recognized in profit or loss.

The standard requires that derivatives embedded in contracts with a host that is a financial asset within the scope of the standard are not separated; instead the hybrid financial instrument is assessed in its entirety as to whether it should be measured at amortized cost or fair value.

IFRS 9 (2010) introduces a new requirement in respect of financial liabilities designated under the fair value option to generally present fair value changes that are attributable to the liability's credit risk in other comprehensive income rather than in profit or loss. Apart from this change, IFRS 9 (2010) largely carries forward without substantive amendment the guidance on classification and measurement of financial liabilities from IAS 39.

IFRS 9 (2013) introduces a new general hedge accounting standard which would align hedge accounting more closely with risk management. The requirements also establish a more principles-based approach to hedge accounting and address inconsistencies and weaknesses in the hedge accounting model in IAS 39. The new standard does not fundamentally change the types of hedging relationships or the requirements to measure and recognize ineffectiveness;

7. New standards amendments and interpretations issued but not yet effective (continued)

i) IFRS 9 - Financial Instruments (continued)

however, more judgement would be required to assess the effectiveness of a hedging relationship under the new standard.

The mandatory effective date of IFRS 9 is not specified but will be determined when the outstanding phases are finalized. However, application of IFRS 9 is permitted. The IASB decided to consider making limited amendments to IFRS 9 to address practice and other issues. The Group has commenced the process of evaluating the potential effect of this standard but is awaiting finalization of the limited amendments before the evaluation can be completed.
Given the nature of the Group's operations, this standard is not expected to have a significant impact on the Group's financial statements.

ii) Amendments to IAS 19R: Employee Benefits

IAS 19 Employee Benefits (Amendments to IAS 19R) apply to contributions from employees or third parties to defined benefit plans. The objective of the amendments is to simplify the accounting for contributions that are independent of the number of years of employee service.

The amendments are effective for annual periods beginning on or after 1 January 2014. Early application is permitted.

The Group is not expecting a significant impact from the adoption of these amendments.

iii) Amendments to IAS 32 on offsetting financial assets and financial liabilities (2011)

Offsetting Financial Assets and Financial Liabilities (amendments to IAS 32) clarify the offsetting criteria IAS 32 by explaining when an entity currently has a legally enforceable right to set off and when gross settlement is equivalent to net settlement.

The amendments are effective for annual periods beginning on or after 1 January 2014 and interim periods within those annual periods. Earlier application is permitted.
The Group is not expecting a significant impact from the adoption of these amendments.

iv) Novation of Derivatives and Continuation of Hedge Accounting (2013)

Novation of Derivatives and Continuation of Hedge Accounting - Amendments to IAS 39 provides relief from discontinuing hedge accounting if certain criteria are met.

The amendments are effective for annual periods beginning on or after 1 January 2014. Early application is permitted. Although the amendments are applied retrospectively, if an entity had previously discontinued hedge accounting as a result of a novation, the previous hedge accounting (pre-novation) for that relationship cannot be reinstated.

The Group is not expecting a significant impact from the adoption of these amendments.

v) Investment Entities (Amendments to IFRS 10 and IFRS 12)

The IASB published Investment Entities (Amendments to IFRS 10 and IFRS 12), which grants certain relief from consolidation to investment entities. It requires qualifying investment entities to account for investment in controlled investees on a fair value basis.

7. New standards amendments and interpretations issued but not yet effective (continued)

vi) Investment Entities (Amendments to IFRS 10 and IFRS 12) (continued)

The effective date is annual periods beginning on or after 1 January 2014, but early adoption is permitted to enable alignment with the adoption of IFRS 10.

The Group is not expecting a significant impact from the adoption of these amendments.

vii) Amendments to IAS 36 on recoverable amount disclosures for non-financial assets

Recoverable Amount Disclosures for Non-Financial Assets (Amendments to IAS 36) have expanded disclosures of recoverable amounts when the amounts are based on fair value less costs of disposals and impairment is recognized.

The amendments are effective for annual periods beginning on or after 1 January 2014. Earlier application is permitted. An entity shall not apply those amendments in periods (including comparative periods) in which it does not also apply IFRS 13.
The Group is not expecting a significant impact from the adoption of these amendments.

8. Significant accounting policies

Except for the changes explained in note 7, the Group has consistently applied the following accounting policies to all period presented in these consolidated financial statements.

Set out below is an index of the significant accounting policies, the details of which are available on the pages that follow.

a) Basis of consolidation

i) Business combinations

The Group accounts for business combinations using the acquisition method when control is transferred to the Group. The consideration transferred in the acquisition is generally measured at fair value, as are the identifiable net assets acquired. Any goodwill that arises is tested annually for impairment. Any gain on a bargain purchase is recognized in profit or loss immediately. Transaction costs are expensed as incurred, except if related to the issue of debt or equity securities.

The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts are generally recognized in profit or loss.

Any contingent consideration payable is measured at fair value at the acquisition date. If the contingent consideration is classified as equity, then it is not remeasured and settlement is accounted for within equity. Otherwise, subsequent changes in the fair value of the contingent consideration are recognized in profit or loss.

8. Significant accounting policies (continued)

a) Basis of consolidation (continued)

i) Business combinations (continued)

If share-based payment awards (replacement awards) are required to be exchanged for awards held by the acquiree's employees (acquiree's awards), then all or a portion of the amount of the acquirer's replacement awards is included in measuring the consideration transferred in the business combination. This determination is based on the market-based measure of the replacement awards compared with the market-based measure of the acquiree's awards and the extent to which the replacement awards relate to pre-combination service.

ii) Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

The Company controls the following entities, (collectively known as the "Group") as at 31 December 2013.

Name of Subsidiary	Place of incorporation	Ownership interest	Principal Activity
Al Khalij Cement Company S.P.C.	Qatar	100%	Manufacturing and trading of cement
The Investor S.P.C.	Qatar	100%	Trading of cement
QIG Properties S.P.C.	Qatar	100%	Real estate
QIG Project Development S.P.C.	Qatar	100%	Industry equipment works
International Technical and Trading Company S.P.C.	Qatar	100%	General equipment trading
Qatar Security System Company S.P.C.	Qatar	100%	IT and security system
QIG General Services S.P.C.	Qatar	100%	Construction materials trading – contracting
QIG Contracting Company S.P.C.	Qatar	100%	Industrial and engineering equipment services
QIG Global Company S.P.C.	Qatar	100%	International companies representation
QIG Industries Company S.P.C.	Qatar	100%	Industrials enterprises (Mechanical – Engineering)
QIG Light Industries Company S.P.C.	Qatar	100%	Industrials enterprises

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8. Significant accounting policies (continued)

a) Basis of consolidation (continued)

ii) Subsidiaries (continued)

Name of Subsidiary	Place of incorporation	Ownership interest	Principal Activity
QIG Technology Company S.P.C.	Qatar	100%	Information technology services
QIG Marine Services Company S.P.C.	Qatar	100%	Marine services and shipping
QIG Trading Company S.P.C.	Qatar	100%	International companies representation
Qatari Group for Investment S.P.C.	Qatar	100%	Investment and other trading
Qatar Investment Group S.P.C.	Qatar	100%	Investment and other trading
Cape Qatar S.P.C.	Qatar	100%	Insurance agencies
Smith Heimann Qatar Company S.P.C.	Qatar	100%	IT and security systems

The Company has issued guarantees to certain banks in respect of the credit facilities of QR 2,262 million granted to subsidiaries in the form of payment guarantees, short term loans and long term borrowing.

iii) Loss of control

When the Group loses control over a subsidiary, it derecognizes the assets and liabilities of the subsidiary, and any related NCI and other components of equity. Any resulting gain or loss is recognized in profit or loss. Any interest retained in the former subsidiary is measured at fair value when control is lost.

iv) Interests in equity-accounted investees

The Group's interests in equity-accounted investees comprise interests in associates.

Associates are those entities in which the Group has significant influence, but not control or joint control, over the financial and operating policies. A joint venture is an arrangement in which the Group has joint control, whereby the Group has rights to the net assets of the arrangement, rather than rights to its assets and obligations for its liabilities.

Interests in associates and the joint venture are accounted for using the equity method. They are recognized initially at cost, which includes transaction costs. Subsequent to initial recognition, the consolidated financial statements include the Group's share of the profit or loss and OCI of equity-accounted investees, until the date on which significant influence or joint control ceases.

8. Significant accounting policies (continued)

a) Basis of consolidation (continued)

v) Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealized income and expenses arising from intra-group transactions, are eliminated. Unrealized gains arising from transactions with equity-accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealized losses are eliminated in the same way as unrealized gains, but only to the extent that there is no evidence of impairment.

b) Revenue recognition

Contracts revenues

Construction contract revenue recognised results from the development of a number of storage units and warehouses for some of the Group's customers in the Timber Products segment. These storage units and warehouses are constructed based on specifically negotiated contracts with customers.

Contract revenue includes the initial amount agreed in the contract plus any variations in contract work, claims and incentive payments, to the extent that it is probable that they will result in revenue and can be measured reliably.

If the outcome of a construction contract can be estimated reliably, then contract revenue is recognised in profit or loss in proportion to the stage of completion of the contract. The stage of completion is assessed with reference to surveys of work performed. Otherwise, contract revenue is recognised only to the extent of contract costs incurred that are likely to be recoverable.

Contract expenses are recognised as incurred unless they create an asset related to future contract activity. An expected loss on a contract is recognised immediately in profit or loss.

Sales of goods

Revenue is recognised when the significant risks and rewards of ownership have been transferred to the customer, recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably, there is no continuing management involvement with the goods, and the amount of revenue can be measured reliably. Revenue is measured net of returns, trade discounts and volume rebates. The timing of the transfer of risks and rewards varies depending on the individual terms of the sales agreement. For sales of ready mix concrete, hollow core slabs, concrete blocks, interlock pavers, precast building solutions, boundary walls and kerbstones, usually transfer occurs when the product is delivered at the customers' requested sites.

Investment property rental income

Rental income from investment property is recognised as revenue on a straight-line basis over the term of the lease. Lease incentives granted are recognised as an integral part of the total rental income, over the term of the lease. Rental income from other property is recognised as other income

Commissions

If the Group acts in the capacity of an agent rather than as the principal in a transaction, then the revenue recognised is the net amount of commission made by the Group.

8. Significant accounting policies (continued)

b) Revenue recognition (continued)

Rendering of services

The Group is involved in rendering financial services, as well as construction related services. If the services under a single arrangement are rendered in different reporting periods, then the consideration is allocated on a relative fair value basis between the different services.

The Group recognises revenue from rendering of services in proportion to the stage of completion of the transaction at the reporting date. The stage of completion is assessed based on surveys of work performed.

c) Finance income and finance cost

The Group's finance income and finance costs include:

- interest income;
- interest expense;

Finance income comprises interest income on fixed deposits with banks. Interest income is recognized as it accrues in profit or loss, using the effective interest method.

Interest income or expense is recognized using the effective interest method. Dividend income is recognized in profit or loss on the date that the Group's right to receive payment is established.

d) Foreign currency transactions

Transactions in foreign currencies are translated to the respective functional currencies of Group companies at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated to the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated to the functional currency at the exchange rate when the fair value was determined. Foreign currency differences are generally recognised in profit or loss. Non-monetary items that are measured based on historical cost in a foreign currency are not translated.

However, foreign currency differences arising from the translation of the following items are recognised in OCI:

- available-for-sale equity investments (except on impairment, in which case foreign currency differences that have been recognised in OCI are reclassified to profit or loss);
- a financial liability designated as a hedge of the net investment in a foreign operation to the extent that the hedge is effective (see (iii)); and
- qualifying cash flow hedges to the extent that the hedges are effective.

e) Employees' end of service benefits

The Company recognizes employees' end of service benefits in profit or loss. The Company provides for employees' end of service benefits determined in accordance with the provision of the Qatar Labour Law No 14 of 2004 based on employees' salaries and period of employment and are paid to the employees on termination of employment with the Company. The Company has no expectation of settling its employees' end of service benefits obligation in near term and hence classified this as a non- current liability. The provision is not discounted as the difference between the provision stated in the consolidated statement of financial position and net present value is not expected to be significant.

8. Significant accounting policies (continued)

f) Inventories

Inventories are measured at the lower of cost and net realisable value. The cost of inventories is based on the weighted average principle. In the case of manufactured inventories and work in progress, cost includes an appropriate share of production overheads based on normal operating capacity.

g) Construction contracts in progress

Construction contracts in progress represents the gross amount expected to be collected from customers for contract work performed to date. It is measured at costs incurred plus profits recognized to date less progress billings and recognized losses.

In the statement of financial position, construction contracts in progress for which costs incurred plus recognized profits exceed progress billings and recognized losses are presented as trade and other receivables. Contracts for which progress billings and recognized losses exceed costs incurred plus recognized profits are presented as deferred income/revenue. Advances received from customers are presented as deferred income/revenue.

h) Intangible assets and goodwill

i) Goodwill

Goodwill arising on the acquisition of subsidiaries is measured at cost less accumulated impairment losses.

ii) Other intangible assets

Other intangible assets that are acquired by the Group and have finite useful lives are measured at cost less accumulated amortisation and any accumulated impairment losses.

iii) Subsequent expenditures

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and brands, is recognised in profit or loss as incurred.

iv) Amortization

Amortisation is calculated to write off the cost of intangible assets less their estimated residual values using the straight-line method over their estimated useful lives, and is generally recognised in profit or loss. Goodwill is not amortised.

Amortisation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

i) Investment properties

Investment property is initially measured at cost and subsequently at fair value with any change therein recognised in profit or loss. Any gain or loss on disposal of investment property (calculated as the difference between the net proceeds from disposal and the carrying amount of the item) is recognised in profit or loss. When investment property that was previously classified as property, plant and equipment is sold, any related amount included in the revaluation reserve (see (m)(ii)) is transferred to retained earnings.

j) Financial instruments

The Group classifies non-derivative financial assets into the following categories: financial assets at fair value through profit or loss, held-to-maturity financial assets, loans and receivables and available-for-sale financial assets.

The Group classifies non-derivative financial liabilities into the other financial liabilities category.

8. Significant accounting policies (continued)

j) Financial instruments (continued)

I) Non-derivative financial assets and liabilities – recognition and derecognition

The Group initially recognizes loans and receivables and debt securities issued on the date when they are originated. All other financial assets and financial liabilities are initially recognized on the trade date.

The Group derecognizes a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred, or it neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control over the transferred asset. Any interest in such derecognized financial assets that is created or retained by the Group is recognized as a separate asset or liability.

The Group derecognizes a financial liability when its contractual obligations are discharged or cancelled, or expire.

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group has a legal right to offset the amounts and intends either to settle them on a net basis or to realize the asset and settle the liability simultaneously.

II) Non-derivative financial assets - measurement

Financial assets at fair value through profit or loss
A financial asset is classified as at fair value through profit or loss if it is classified as held-for-trading or is designated as such on initial recognition. Directly attributable transaction costs are recognized in profit or loss as incurred. Financial assets at fair value through profit or loss are measured at fair value and changes therein, including any interest or dividend income, are recognized in profit or loss.

Held-to-maturity financial assets
These assets are initially recognized at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, they are measured at amortized cost using the effective interest method.

Loans and receivables
These assets are initially recognized at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, they are measured at amortized cost using the effective interest method.

Cash and cash equivalents
In the statement of cash flows, cash and cash equivalents includes bank overdrafts that are repayable on demand and form an integral part of the Group's cash management.

8. Significant accounting policies (continued)

j) Financial instruments (continued)

II) Non-derivative financial assets - measurement (continued)

Available-for-sale financial assets
These assets are initially recognized at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, they are measured at fair value and changes therein, other than impairment losses and foreign currency differences on debt instruments, are recognized in OCI and accumulated in the fair value reserve. When these assets are derecognized, the gain or loss accumulated in equity is reclassified to profit or loss.

III) Non-derivative financial liabilities - measurement

Non-derivative financial liabilities are initially recognized at fair value less any directly attributable transaction costs. Subsequent to initial recognition, these liabilities are measured at amortized cost using the effective interest method.

IV) Derivative financial instruments and hedge accounting

The Group may hold derivative financial instruments to hedge its foreign currency and interest rate risk exposures. Embedded derivatives are separated from the host contract and accounted for separately if certain criteria are met.

Derivatives are recognized initially at fair value; any directly attributable transaction costs are recognized in profit or loss as they are incurred. Subsequent to initial recognition, derivatives are measured at fair value, and changes therein are generally recognized in profit or loss.

Cash flow hedges
When a derivative is designated as a cash flow hedging instrument, the effective portion of changes in the fair value of the derivative is recognized in OCI and accumulated in the hedging reserve. Any ineffective portion of changes in the fair value of the derivative is recognized immediately in profit or loss.

The amount accumulated in equity is retained in OCI and reclassified to profit or loss in the same period or periods during which the hedged item affects profit or loss.

If the hedging instrument no longer meets the criteria for hedge accounting, expires or is sold, terminated or exercised, or the designation is revoked, then hedge accounting is discontinued prospectively. If the forecast transaction is no longer expected to occur, then the amount accumulated in equity is reclassified to profit or loss.

k) Impairment

I) Non-derivative financial assets

Financial assets not classified as at fair value through profit or loss, including an interest in an equity-accounted investee, are assessed at each reporting date to determine whether there is objective evidence of impairment.

Objective evidence that financial assets are impaired includes:
- default or delinquency by a debtor;
- restructuring of an amount due to the Group on terms that the Group would not consider otherwise;
- indications that a debtor or issuer will enter bankruptcy;
- adverse changes in the payment status of borrowers or issuers;
- the disappearance of an active market for a security; or
- observable data indicating that there is measurable decrease in expected cash flows from a group of financial assets.

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8. Significant accounting policies (continued)

k) Impairment (continued)

I) Non-derivative financial assets (continued)

For an investment in an equity security, objective evidence of impairment includes a significant or prolonged decline in its fair value below its cost. The Group considers a decline of 20% to be significant and a period of nine months to be prolonged.

Financial assets measured at amortized cost
The Group considers evidence of impairment for these assets at both an individual asset and a collective level. All individually significant assets are individually assessed for impairment. Those found not to be impaired are then collectively assessed for any impairment that has been incurred but not yet individually identified. Assets that are not individually significant are collectively assessed for impairment. Collective assessment is carried out by grouping together assets with similar risk characteristics.

In assessing collective impairment, the Group uses historical information on the timing of recoveries and the amount of loss incurred, and makes an adjustment if current economic and credit conditions are such that the actual losses are likely to be greater or lesser than suggested by historical trends.

An impairment loss is calculated as the difference between an asset's carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. Losses are recognized in profit or loss and reflected in an allowance account. When the Group considers that there are no realistic prospects of recovery of the asset, the relevant amounts are written off. If the amount of impairment loss subsequently decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, then the previously recognized impairment loss is reversed through profit or loss.

Available-for-sale financial assets
Impairment losses on available-for-sale financial assets are recognised by reclassifying the losses accumulated in the fair value reserve to profit or loss. The amount reclassified is the difference between the acquisition cost (net of any principal repayment and amortisation) and the current fair value, less any impairment loss previously recognised in profit or loss. If the fair value of an impaired available-for-sale debt security subsequently increases and the increase can be related objectively to an event occurring after the impairment loss was recognised, then the impairment loss is reversed through profit or loss; otherwise, it is reversed through OCI.

Equity-accounted investees
An impairment loss in respect of an equity-accounted investee is measured by comparing the recoverable amount of the investment with its carrying amount. An impairment loss is recognised in profit or loss, and is reversed if there has been a favourable change in the estimates used to determine the recoverable amount.

8. Significant accounting policies (continued)

k) Impairment (continued)

II) Non-financial assets

At each reporting date, the Group reviews the carrying amounts of its non-financial assets (other than investment property, and inventories) to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. Goodwill is tested annually for impairment.

For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs. Goodwill arising from a business combination is allocated to CGUs or groups of CGUs that are expected to benefit from the synergies of the ombination.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, 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 or CGU.

An impairment loss is recognized if the carrying amount of an asset or CGU exceeds its recoverable amount.

Impairment losses are recognized in profit or loss. They are allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets in the CGU on a pro rata basis.

An impairment loss in respect of goodwill is not reversed. For other assets, an impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

m) Provisions

Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost.

9. Intangible assets

	31 December 2013	31 December 2012
Balance at 1 January	758,904	-
Additions	2,255,324	758,904
Balance at 31 December	**3,014,228**	758,904

Intangible assets concerns work in progress related to the installation of an ERP system.

10. Property, plant and equipment

	Land	Buildings	Equipment	Furniture and fixtures	Computers and software	Motor and heavy vehicles	Capital work in progress	Total
Cost								
Balance at 1 January 2012	3,282,015	38,090,965	5,524,060	1,994,478	1,471,837	54,275,916	1,703,157,284	1,807,796,555
Additions	-	-	39,284,831	76,513	563,660	871,039	169,545,031	210,341,074
Transferred from CWIP	-	794,678,393	961,484,729	-	-	2,087,117	(1,758,250,239)	-
Disposals	-	-	-	-	-	(921,339)	-	(921,339)
Balance at 31 December 2012	3,282,015	832,769,358	1,006,293,620	2,070,991	2,035,497	56,312,733	114,452,076	2,017,216,290
Balance at 1 January 2013	3,282,015	832,769,358	1,006,293,620	2,070,991	2,035,497	56,312,733	114,452,076	2,017,216,290
Additions	-	-	780,302	2,366,055	952,949	89,000	13,905,127	18,093,433
Transferred from CWIP	-	1,026,439	-	-	-	-	(1,026,439)	-
Disposals	-	(217,441)	-	-	-	(1,070,000)	-	(1,287,441)
Balance at 31 December 2013	3,282,015	833,578,356	1,007,073,922	4,437,046	2,988,446	55,331,733	127,330,764	2,034,022,282
Accumulated depreciation								
Balance at 1 January 2012	-	9,288,904	2,145,749	1,392,341	1,094,373	17,564,052	-	31,485,419
Depreciation (i)	-	3,664,506	3,394,077	207,489	270,928	8,498,954	-	16,035,954
Disposals	-	-	-	-	-	(553,325)	-	(553,325)
Balance at 31 December 2012	-	12,953,410	5,539,826	1,599,830	1,365,301	25,509,681	-	46,968,048
Balance at 1 January 2013	-	12,953,410	5,539,826	1,599,830	1,365,301	25,509,681	-	46,968,048
Depreciation (i)	-	16,805,216	38,277,686	1,644,281	958,746	8,297,213	-	65,983,142
Disposals	-	(103,284)	-	-	-	(794,732)	-	(898,016)
Balance at 31 December 2013	-	29,655,342	43,817,512	3,244,111	2,324,047	33,012,162	-	112,053,174
Carrying amount								
At 1 January 2012	3,282,015	28,802,061	3,378,311	602,137	377,464	36,711,864	1,703,157,284	1,776,311,136
At 31 December 2012	3,282,015	819,815,948	1,000,753,794	471,161	670,196	30,803,052	114,452,076	1,970,248,242
At 31 December 2013	**3,282,015**	**803,923,014**	**963,256,410**	**1,192,935**	**664,399**	**22,319,571**	**127,330,764**	**1,921,969,108**

10. Property, plant and equipment (continued)

Depreciation charges for the year are allocated as set out below:	**31 December 2013**	31 December 2012
Costs	60,860,426	8,864,137
Selling and distribution expenses	2,337,256	3,275,530
General and administrative expenses	2,785,460	3,896,287
	65,983,142	16,035,954

Certain credit facilities are secured by a possessory mortgage over capital work in progress related to cement factory (note 34).

11. Goodwill

	31 December 2013	31 December 2012
Goodwill	**314,457,585**	314,457,585

During 2009, the shareholders approved in their extra-ordinary general assembly meeting on 26 April 2009, the 100% acquisition of Qatari Investor Company W.L.L. The total purchase consideration amounted to QR. 897 million, which was settled by issuing of company's shares at a premium of QR. 435.73 million. This transaction resulted in goodwill of QR. 314.46 million.

Impairment losses and subsequent reversal

On 31 December 2013 an impairment review of the goodwill was undertaken by the management through an independent firm. This firm compared the carrying value of goodwill with the anticipated recoverable amounts of the subsidiaries, which are the cash-generating units to which the goodwill was allocated. The recoverable amounts of the cash-generating units are based on value in use, which is calculated from cash flow projections for 5 years ending 31 December 2018 using data from board approved budgets. A key assumption for the value in use calculations was the discount rate represented in the group's weighted average cost of capital of 15.5 %. The Directors estimate discount rates that reflect the current market assessments of the time value of money and risks specific to the cash-generating units, and they consider the appropriate risk adjusted discount rate is 15.5%. Changes in revenue and direct costs are based on an assumed compound growth rate of 4%, as well as past experience and expectations of future changes in the market. The management concluded from this review that there had been no impairment to the goodwill during the year ended 31 December 2013.

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12. Investment property

a) Reconciliation of carrying amount

	31 December 2013	31 December 2012
Balance as at 1 January	494,818,875	492,205,910
Additions	3,405,664	40,000
Disposals	-	(4,674,150)
Carrying amount	498,224,539	487,571,760
Net movement in fair value	(2,731,926)	7,247,115
Balance at 31 December	**495,492,613**	494,818,875

Investment properties comprises of a number of commercial properties that are or will be leased to third parties. Capital work in progress at 31 December 2013 amount to QR 3,445,664 (2012: QR 40,000).

b) Measurement of fair value

The fair value of investment property was determined at QR 454 million (2012: QR 454 million) by external, independent property valuers, having appropriate recognised qualifications and recent experience in the location and category of the property being valued. The independent valuers provide the fair value of the Group's investment property portfolio every year.

For the remaining properties, the management has estimated and recognised a reduction in fair value of QR. 2.57 million as at 31 December 2013 based on a discounted cash flow calculation (2012: QR. 2.57 million).

The total fair value measurement for investment property of QR 492 million has been categorized as a Level 3 fair value based on the inputs to the valuation technique used (see note 4b).

The following table shows a reconciliation from the opening balances to the closing balances for Level 3 fair values.

Balance as at 1 January 2013	494,818,875
Acquisitions	3,405,664
Gain included in 'income from changes in fair value of investment properties'	
Changes in fair value (unrealised)	(2,731,926)
Balance at 31 December 2013	**495,492,613**

12. Investment property (continued)

The following table shows the valuation technique used in measuring the fair value of investment property, as well as the significant unobservable inputs used.

Valuation technique	Significant unobservable inputs	Inter-relationship between key unobservable inputs and fair value measurement
Market price: The external valuers have estimated the market price per square foot based on location characteristics, development opportunities and market demands for the region. **Discounted cash flows:** The valuation model considers the present value of net cash flows to be generated from the property, taking into account expected rental growth rate, occupancy rate. The expected net cash flows are discounted using risk-adjusted discount rates. Among other factors, the discount rate estimation considers the quality of a building and its location (prime vs secondary), tenant credit quality and lease terms.	Judgement on market price based on previously explained factors Discounted cash flow based on: • Terminal growth rate of 5% • Rounded weighted average cost of capital of 10% • Discount rate of 5% • Constant growth projection of 5% • Risk of need for demolishment in mid-term future	The estimated fair value would increase (decrease) if: • Market demand were higher (lower); • Development opportunities were greater (more limited); • Expected market rental growth were higher (lower); • The occupancy rate were higher (lower); • Rent-free periods were shorter (longer); or the risk-adjusted discount rate were lower (higher).

13. Equity accounted investees

The Group has interests in ten individually immaterial associates, all incorporated in Qatar, with an ownership percentage of 51% and profit shares between 30% and 50%. There are no changes in ownership nor profit sharing in 2013.

	31 December 2013	31 December 2012
Net profit for the year	**31,836,776**	42,155,498
Share of profit of equity-accounted investees	**18,637,389**	13,224,956

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13. Equity accounted investees (continued)

Movement on the equity accounted investees balance during the year is as follows:

	31 December 2013	31 December 2012
Balance as at 1 January	48,182,944	43,696,409
Acquisition during the year	1,100,000	4,400,000
Disposal during the year	-	(502,000)
Share of profit during the year	18,637,389	13,224,956
Dividends received during the year	(19,161,489)	(12,636,421)
Balance as at 31 December	**48,758,844**	48,182,944

14. Available-for-sale investments

a) Reconciliation of carrying amount

i) Quoted investments	**31 December 2013**	31 December 2012
Balance as at 1 January	2,727,051	83,647,614
Cost of investment sold during the year	-	(80,920,565)
Change in fair value as at the end of the year	(1,037,597)	(1,262,865)
	1,689,454	1,464,184

ii) Unquoted investments	**31 December 2013**	31 December 2012
Balance as at 1 January	2,259,904	2,259,904
Net movement during the year	-	-
	2,259,904	2,259,904
Available-for-sale investments	**3,949,358**	3,724,088

Movement in fair value reserve	**31 December 2013**	31 December 2012
Balance as at 1 January	(1,262,865)	4,874,164
Net movement during the year	225,268	(6,137,029)
	(1,037,597)	(1,262,865)

Sale of available-for-sale investment	**31 December 2013**	31 December 2012
Proceeds from sales	-	88,182,743
Cost of sold investments	-	(80,920,565)
Gain from sales of available-for-sale investment	**-**	7,262,178

14. Available-for-sale investments (continued)

b) Measurement of fair value

The fair value of quoted investments was determined using unadjusted, quoted prices in an active market for identical assets.

The fair value measurement for quoted investments of QR 1.7 million has been categorized as a Level 1 fair value based on the inputs to the valuation technique used (see note 4b).

15. Inventories

	31 December 2013	31 December 2012
Finished goods	3,356,202	1,964,934
Semi-finished goods	63,515,249	26,611,172
Raw materials	31,772,672	13,336,086
Spare parts	32,610,743	14,760,049
	131,254,866	56,672,241
Less: provision for slow moving and damaged inventory	(120,000)	(1,362,391)
	131,134,866	55,309,850

The movement in the provision for slow moving and damaged inventory was as follows:

	31 December 2013	31 December 2012
Opening balance	1,362,391	120,000
Provided during the year	-	1,242,391
Reversal of provision during the year	(1,242,391)	-
	120,000	1,362,391

16. Accounts and other receivables

	31 December 2013	31 December 2012
Accounts receivable from cement activity	132,931,746	102,954,900
Accounts receivable from contractual income	13,981,298	37,388,653
Other accounts and receivables	1,442,682	10,249,051
Provision for doubtful debts (cement activity)	(2,160,461)	(2,340,287)
	146,195,265	148,252,317

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16. Accounts and other receivables (continued0

As at 31 December the aging of accounts receivable is follows:

	31 December 2013		31 December 2012	
	Gross	**Impaired**	Gross	Impaired
Less than 90 days	137,638,458	-	111,757,753	-
91 to 180 days	6,225,250	-	29,417,425	-
181 to 365 days	1,979,699	-	3,592,198	-
More than 365 days	2,512,319	2,160,461	5,825,228	2,340,287
	148,355,726	**2,160,461**	150,592,604	2,340,287

The movement in the provision for doubtful debts was as follows:

	31 December 2013	31 December 2012
Opening balance	2,340,287	-
Provided during the year	-	2,340,287
Collection of previously provided balances	(179,826)	-
	2,160,461	2,340,287

The Group has not disclosed the fair values for financial instruments such as short-term trade receivables and payables, because their carrying amounts are a reasonable approximation of fair values.

17. Related party transactions

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial and operating decisions.

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

Key management personnel of the Group comprise key members of management having authority and responsibility for planning, controlling and directing the activities of the Group.

Pricing policies and terms of these transactions are approved by the Group's management.

17. Related party transactions (continued)

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

a) Transactions with related parties

	31 December 2013	31 December 2012
Sales	**-**	16,567,716

b) Due from related parties

	31 December 2013	31 December 2012
Al Misnad Holding Company	535,058	356,716
Others	335,442	288,910
	870,500	645,626

c) Due to related parties

	31 December 2013	31 December 2012
Others	**164,697**	164,697

d) Remuneration of key management personnel

	31 December 2013	31 December 2012
Short – term benefits	**8,000,000**	8,000,000

18. Prepayments and other receivables

	31 December 2013	31 December 2012
Accrued income	869,779	1,081,563
Prepaid factory rent	4,095,388	4,095,388
Prepayments	3,142,149	2,446,520
Refundable deposits	1,709,923	2,081,336
Deferred management fee (i)	1,744,000	1,962,000
Retentions receivable	-	1,593,788
Due from staff	217,390	511,022
Others	1,065,691	1,763,748
	12,844,320	15,535,365

(i) A management fee has been charged upon contracting the Ijara facility in 2012, which is amortized over the duration of the loan.

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19. Cash and bank balances

	31 December 2013	31 December 2012
Cash on hand	152,746	86,227
Bank balances:		
Current account	150,032,402	163,850,129
Saving accounts	20,094,110	6,719,216
Fixed deposits	200,000,000	80,000,000
Cash and cash equivalents	370,279,258	250,655,572
Restricted cash	28,924,189	17,362,558
	399,203,447	268,018,130

Fixed deposits and saving accounts in various banks earn effective interest rate ranging from 1.4% to 1.5% (in 2012: ranging from 2.32% to 2.55% per annum). These fixed deposits have a maturity period less than 3 months.

Restricted cash is mainly composed of dividends to be paid to shareholders, held at a CBQ dedicated bank account.

20. Share capital

	31 December 2013	31 December 2012
Authorized, issued and fully paid up share capital 124,326,778 shares (2012: 124,326,778 shares) of QR. 10 per share	**1,243,267,780**	1,243,267,780

Proposed dividends

In a meeting held on 9 February 2014 the Board of Directors have proposed a cash dividend distribution of 7.5% of the paid up capital amounting to QR 93,245,084 (2012: cash dividend distribution of 7.5% of the paid up capital amounting to QR 93,245,084). The above is subject to the approval of the shareholders in the forthcoming general assembly.

21. Legal reserve

As required by Qatar Commercial Companies' Law No. 5 of 2002, and the Group's Articles of Association, a minimum of 10% of the net profit for the year should be transferred to legal reserve each year until this reserve equals 50% of the paid up share capital. The reserve is not available for distribution except in the circumstances stipulated in the above-mentioned Law.

22. Loans and borrowings

	31 December 2013	31 December 2012
Short term LC Murabaha loan (i)	37,201,817	34,226,828
Ijara facility (ii)	1,018,039,403	980,469,700
International Murabaha facility (iii)	107,258,846	-
	1,162,500,066	1,014,696,528

	31 December 2013	31 December 2012
Classified as:		
Current portion	37,201,817	34,226,828
Non-current portion	1,125,298,249	980,469,700
	1,162,500,066	1,014,696,528

(i) The Group renewed its agreement with a local bank whereby the bank will finance the import of raw materials with a limit of QR 100 million carrying profit rate of 4% per annum. The loan is repayable in seven monthly instalments with a grace period of five months from the date of development of letter of credit.

(ii) The Group has fully repaid the Ijara loan outstanding as at 31 December 2012 by entering into a new Ijara loan agreement with a local bank, who financed the Company in the form of new Ijara facility with the following profit rates: in the grace period of the first two years 3.75% per annum, next two years after grace period 4% per annum and the remaining period 4.5% per annum to settle the previous facilities and finance the capital requirements of the cement factory. The loan is repayable in 36 equal quarterly instalments starting after 24 months from January 2013. The credit facilities are secured by a possessory mortgage over the cement factory, special power of attorney issued by the Company in favour of the bank, assignment of all current and future revenue of the cement factory and two corporate guarantees from Qatari Investors Group Q.S.C. and QIG Industries Company S.P.C. The comprehensive risk insurance policy for the factory premises is endorsed in favour of the bank. The loan amount outstanding includes accrued interest QR 290,134,640 repayable after initial grace period of 24 months starting from January 2013.

(iii) In November 2013 the Group contracted an international Murabaha facility with a local bank to finance the Company's new production line of cement for the total facility amount of QR 709 million, of which QR 107 million is withdrawn in 2013. The drawdown period of 24 months started December 2013, after this period the facility will be converted into an Ijara facility (independent from the facility mentioned under (ii)) with a limit of QR 763 million subject to a profit rate of 4% per annum for the first two years and 4.5% for the remaining years. The credit facility is secured by an extension of the existing possessory pledge over plant and corporate guarantees from Qatari Investors Group Q.S.C. and QIG Industries Company S.P.C. The loan amount bears interest of total QR 25,546,640.

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23. Employees' end of service benefits

	31 December 2013	31 December 2012
Balance as at 1 January	3,606,439	2,635,642
Charges for the year	2,332,654	1,440,926
Paid during the year	(792,901)	(470,129)
Balance as at 31 December	**5,146,192**	3,606,439

24. Notes payable

	31 December 2013	31 December 2012
Short term portion	3,927,850	14,277,596
Long term portion	-	3,447,209
	3,927,850	17,724,805

Management has used a discount rate of approximately 8% per annum to arrive at the amortized cost of the notes payable.

25. Accruals and other liabilities

	31 December 2013	31 December 2012
Dividends payable	27,919,189	17,362,558
Contractors and others claims	96,637,909	96,637,909
Electricity consumption	30,991,765	27,275,390
Accrual for social and support fund contribution	5,516,776	3,809,490
Accrual Board of Director remuneration	1,500,000	1,500,000
Advances from customers	5,982,969	1,782,885
Staff accruals	3,851,504	3,873,214
Gas consumption	1,036,219	11,295,320
Others	20,376,286	11,341,200
	193,812,617	174,877,966

Pending litigation

The contractor for the construction of the cement plant has filed a case before the Arbitration Court of International Chamber of Commerce (ICC) against the Company claiming the payment of QR 233,591,092. The Company has recognized a net liability of QR 166,024,577 in its accounts. Meanwhile The Company has filed a counterclaim claiming the payment of QR 233,572,419. The next hearing has been ordered to take place in Doha in September 2014.

26. Revenue

	2013	2012
Sale of cement	457,548,832	359,114,845
Contract and service revenue	90,829,221	105,435,756
	548,378,053	464,550,601

27. Cost of revenue

	2013	2012
Cost of cement sales	224,308,511	236,289,024
Contract and service cost	29,907,483	40,482,957
	254,215,994	276,771,981

28. Selling and distribution expenses

	2013	2012
Repair and maintenance	6,396,945	4,380,685
Salaries and benefits	2,824,442	3,891,287
Depreciation	2,337,256	3,275,530
Selling and marketing	1,009,735	-
Insurance	360,463	721,992
Rent	90,767	175,000
Miscellaneous	63,904	56,842
Communication	32,211	105,142
	13,115,723	12,606,478

29. General and administrative expenses

	2013	2012
Salaries and benefits	28,843,649	26,724,543
Legal and professional Charges	4,292,944	1,278,725
Fee, Subscriptions and fines	2,808,663	786,618
Depreciation	2,785,460	3,896,287
Repair and maintenance	1,568,421	1,247,113
Board of director remuneration	1,500,000	1,500,000
Rent	1,063,905	536,400
Insurance	681,065	932,778
Travel and entertainment	648,033	545,150
Communication	616,135	281,427
Bad debt expenses	-	2,340,287
Miscellaneous	3,995,566	9,638,698
	48,803,841	49,708,026

30. Net finance cost

	2013	2012
Interest income on:		
Deposits and saving accounts	2,311,440	102,784
Finance income	2,311,440	102,784
Interest expense on:		
Notes payable	(769,129)	(1,788,217)
Loan	(37,953,694)	(2,349,465)
Bank charges and fee amortization	(641,256)	(3,884,615)
Finance cost	(39,364,079)	(8,022,297)
	(37,052,639)	(7,919,513)

31. Social and sports fund contribution

In accordance with Law No. 13 of 2008, the Group has taken a provision for the support of sports, social, cultural and charitable activities for an amount equivalent of 2.5% of the net profit of the Group. As per the instruction issued during the year 2010 by the Ministry of Economy and Finance, this social contribution has been treated as distribution from retained earnings of the Company. The provision for the year ended 31 December 2012 has been paid to the Public Revenues and Tax Department at the Ministry of Economy and Finance.

32. Basic earnings per share

Basic earnings per share are calculated by dividing the net profit attributed to the Company shareholders for the year by the weighted average number of shares outstanding during the year.

	31 December 2013	31 December 2012
Profit for the year (QR.)	220,671,069	152,259,565
Weighted average number of shares	124,326,778	124,326,778
Basic earnings per share (QR.)	**1.77**	1.22

33. Financial instruments – risk management

The Group has exposure to the following risks arising from financial instruments:

- Credit risk
- Liquidity risk
- Market risk

i. Risk management framework

The Company's board of directors has overall responsibility for the establishment and oversight of the Group's risk management framework. The board of directors has established the Risk Management Committee, which is responsible for developing and monitoring the Group's risk management policies. The committee reports regularly to the board of directors on its activities.

The Group's risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities. The Group, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Group Audit Committee oversees how management monitors compliance with the Group's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Group. The Group Audit Committee is assisted in its oversight role by Internal Audit. Internal Audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the Audit Committee.

ii. Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Group's accounts and other receivables, due from related parties and bank balances.

The carrying amount of financial assets represents the maximum credit exposure.

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33. Financial instruments – risk management (Continue)

ii. Credit risk (continued)

Accounts and other receivables

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk of the industry and country in which customers operate. The creditworthiness of each customer is evaluated prior to sanctioning credit facilities. Appropriate procedures for follow-up and recovery are in place to monitor credit risk.

Bank balances

The Group limits its exposure to credit risk on bank balances by maintaining balances with banks having high credit ratings.

Exposure to credit risk

The maximum exposure to credit risk at the reporting date was:

	Carrying amounts	
	31 December 2013	31 December 2012
Accounts and other debit balances	165,400,902	164,696,091
Advances to suppliers	118,424,649	10,564,423
Due from related parties	870,500	645,626
Bank balances	399,050,701	267,931,903
	683,746,752	443,838,043

iii. Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

33. Financial instruments – risk management (Continue)

iii. Liquidity risk (continued)

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, and include estimated interest payments and exclude the impact of netting agreements:

31 December 2013	**Carrying Amounts**	**Contractual cash flows**	**Less than 1 year**	**More than 1 year**
Non-derivative financial liabilities				
Loans and borrowings	1,162,500,065	(1,439,980,952)	(37,201,817)	(1,402,779,135)
Due to related parties	164,697	(164,697)	(164,697)	-
Accounts and other payables	36,675,105	(36,675,105)	(36,675,105)	-
Accruals and other credit balances	198,958,810	(198,958,810)	(198,958,810)	-
Retention payable	62,363,287	(62,363,287)	(62,363,287)	-
Notes payable	3,927,850	(3,927,850)	(3,927,850)	-
	1,464,589,814	**(1,742,070,701)**	**(339,291,566)**	**(1,402,779,135)**

31 December 2012	Carrying Amounts	Contractual cash flows	Less than 1 year	More than 1 year
Non-derivative financial liabilities				
Loans and borrowings	1,014,696,528	(1,304,423,468)	(34,226,828)	(1,270,196,640)
Due to related parties	164,697	(164,697)	(164,697)	-
Accounts and other payables	36,058,327	(36,058,327)	(36,058,327)	-
Accruals and other credit balances	184,236,961	(184,236,961)	(184,236,961)	-
Retention payable	62,591,630	(62,591,630)	(31,295,815)	(31,295,815)
Notes payable	17,724,805	(17,724,805)	(14,277,596)	(3,447,209)
	1,315,472,948	(1,605,199,888)	(300,260,224)	(1,304,939,664)

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33. Financial instruments – risk management (continued)

iv. Market risk

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

Currency risk

The Group is exposed to currency risk to the extent that there is a mismatch between the currencies in which sales, purchases and borrowings are denominated and the respective functional currencies of Group companies. The functional currencies of Group companies is the Qatari Riyal. The currencies in which these transactions are primarily denominated are euro and US dollars.

Management is of the opinion that the Group's exposure to currency risk is minimal as the Group's significant transactions are denominated in Qatari Riyal and the US Dollar, against which the Qatari Riyal is pegged.

Interest rate risk

Interest rate risk is the risk that the Group's earnings will be affected as a result of fluctuations in the value of financial instruments due to changes in market interest rates. The Group has a policy of ensuring that interest rates exposures are reviewed quarterly.

The interest rate profile of the Group's interest-bearing financial instruments as reported to management of the Group is as follows:

	Carrying amounts	
	31 December 2013	31 December 2012
Fixed rate instruments		
Financial assets – note 19	200,000,000	80,000,000
Financial liabilities – note 22 and 24	1,166,427,916	1,032,421,333
	1,366,427,916	1,112,421,333

v. Capital risk management

The Group's objectives when managing capital are, to safeguard the Group's ability to continue as a going concern while maximizing the returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

The capital structure of the Group consists of borrowings, net of cash and cash equivalents and equity comprising share capital, reserves and retained earnings.

The Group's risk management team reviews the capital structure on a quarterly basis. As part of this review, the management considers the cost of capital and the associated risks.

33. Financial instruments – risk management (continued)

v. Capital risk management (continued)

The gearing ratio at the yearend was as follows:

	Note	31 December 2013	31 December 2012
Debt (i)	22	1,162,500,066	1,014,696,528
Cash and bank balances	19	(399,203,447)	(268,018,130)
Net debt		763,296,619	746,678,398
Equity (ii)		2,138,086,286	2,015,951,809
Net debt to equity ratio		35.7%	37.0%

(i) Debt is defined as loans and borrowings, as detailed in Note 22.
(ii) Equity includes all capital and reserves of the Group.

34. Contingent liabilities and capital commitments

	31 December 2013	31 December 2012
Letters of bank guarantees	9,782,365	25,689,542
Letters of credit	14,523,084	12,873,267
Secured cheques	13,064,782	4,979,000
Capital commitments towards the construction of cement factory	**602,386,020**	12,000,000

35. Segment reporting

a. Basis for segmentation

The Group has the following six strategic divisions, which are its reportable segments. These divisions offer different products and services, and are managed separately because they require different technology and marketing strategies.

The following summary describes the operations of each segment.

Reportable segment	Operations
Industrial	General industrial activity
Contracting and engineering	Supply, installation of security system
Cement	Manufacturing & trading of cement
Investment	Investments in agency, sponsorship shares and engineering businesses.
Real estate	Purchase, construction and selling of lands and buildings
Marine and aviation	Shipping, logistics, marine and aviation services.
Trading	Trading of sports equipment etc.

The Group's Managing Director reviews internal management reports of each division at least quarterly.

Other operations include financial services, insurance agencies, information technology services and the holding activities. None of these segments meet the quantitative thresholds for reporting segments in 2013 or 2012.

35. Segment information

a. Information about reportable segments

Information related to each reportable segment as of and for the year ended December 31, 2013 is set out below. Segment profit, as included in internal management reports reviewed by the Group's Managing Director, is used to measure performance because management believes that such information is the most relevant in evaluating the results of the respective segments relative to other entities that operate in the same industry.

	Industrial	Contracting and engineering	Cement	Investment	Real estate investment	Marine and aviation	Trading	Other Segments	Elimination	Total
Revenue	-	88,032,554	457,548,834	1,364,454	-	-	480,000	952,211	-	548,378,053
Cost	-	(29,907,483)	(224,308,511)	-	-	-	-	-	-	(254,215,994)
Other income	-	263,546	7,955,316	13,078,608	1,737,827	7,124,454	-	364,828	-	30,524,579
Other expenses	-	(6,681,575)	(61,967,163)	(532,642)	(8,382,025)	-	(176,809)	(26,275,355)	-	(104,015,569)
Profit / (loss)	-	51,707,042	179,228,476	13,910,420	(6,644,198)	7,124,454	303,191	(24,958,316)	-	220,671,069
Segment assets and liabilities										
Current assets	43,878,052	148,714,604	1,536,461,543	957,755,615	3,230,601	14,891,311	3,580,213	1,210,330,821	(3,103,808,396)	815,034,364
Non-current assets	-	1,308,939	1,893,552,298	41,493,374	525,570,710	15,367,649	223,267	1,202,925,499	(892,800,000)	2,787,641,736
Total assets	43,878,052	150,023,543	3,430,013,841	999,248,989	528,801,311	30,258,960	3,803,480	2,413,256,320	(3,996,608,396)	3,602,676,100
Current liabilities	(43,593,056)	(11,775,314)	(2,095,818,353)	(110,231,148)	(481,303,025)	(16,876,939)	(1,201,958)	(677,153,976)	3,103,808,396	(334,145,373)
Non-current liabilities	-	(757,213)	(1,128,545,292)	-	-	-	(35,963)	(1,105,973)	-	(1,130,444,441)
Total liabilities	(43,593,056)	(12,532,527)	(3,224,363,645)	(110,231,148)	(481,303,025)	(16,876,939)	(1,237,921)	(678,259,949)	3,103,808,396	(1,464,589,814)

35. Segment information (continued)

Details of segments as of and for the year ended December 31, 2012 are stated below:

	Industrial	Contracting and engineering	Cement	Investment	Real estate investment	Marine and aviation	Trading	Other Segments	Elimination	Total
Revenue	-	99,405,154	385,419,581	3,587,809	-	-	1,000,550	1,442,243	(26,304,736)	464,550,601
Cost	-	(40,254,857)	(262,869,938)	-	(6,794)	-	(221,306)	-	26,580,914	(276,771,981)
Other income	-	701,447	2,231,515	9,915,545	16,190,561	5,914,117	-	140,739	(276,178)	34,817,746
Other expenses	(37,020)	(6,524,415)	(33,949,676)	(1,044,054)	(3,887,549)	-	(248,744)	(24,645,343)	-	(70,336,801)
Profit / (loss)	(37,020)	53,327,329	90,831,482	12,459,300	12,296,218	5,914,117	530,500	(23,062,361)	-	152,259,565
Segment assets and liabilities										
Current assets	43,878,053	130,100,197	1,483,180,239	933,552,242	2,298,102	9,885,529	3,267,175	1,163,639,028	(3,270,566,445)	499,234,120
Non-current assets	-	1,233,159	1,938,523,753	43,015,421	526,375,593	13,248,977	235,943	1,202,357,792	(892,800,000)	2,832,190,638
Total assets	43,878,053	131,333,356	3,421,703,992	976,567,663	528,673,695	23,134,506	3,503,118	2,365,996,820	(4,163,366,445)	3,331,424,758
Current liabilities	18,593,056	45,110,163	2,276,100,131	88,685,533	457,666,424	9,876,939	1,212,008	656,632,615	(3,257,223,083)	296,653,786
Non-current liabilities	-	439,218	1,014,182,129	-	16,864,788	-	28,743	647,647	(13,343,362)	1,018,819,163
Total liabilities	18,593,056	45,549,381	3,290,282,260	88,685,533	474,531,212	9,876,939	1,240,751	657,280,262	(3,270,566,445)	1,315,472,949

35. Comparative figures

The corresponding figures presented for 2012 have been reclassified where necessary to preserve consistency with the 2013 figures. However, such reclassifications did not have any effect on the comprehensive income or the total equity for the comparative period.