Qatar Oman Investment Company Q.S.C.

FINANCIAL STATEMENTS

31 DECEMBER 2008

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF QATAR OMAN INVESTMENT COMPANY Q.S.C.

Report on the Financial Statements

We have audited the accompanying financial statements of Qatar Oman Investment Company Q.S.C. (the "Company") which comprise the balance sheet as at 31 December 2008 and the income statement, statement of changes in equity and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Board of Directors' Responsibility for the Financial Statements

The Board of Directors are responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditors' Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate for 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 financial statements.

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

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as of 31 December 2008 and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

Report on legal and other requirements

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

A. Mekhael F.C.C.A.
of Ernst & Young
Auditor's Registration No. 59

Date :
Doha

INCOME STATEMENT
Year ended 31 December 2008

	Notes	***1 January 2008 to 31 December 2008 QR***	*1 September 2007 to 31 December 2007 QR*
Investments and interest income	3	**24,875,624**	12,168,687
Commission expense		**(204,000)**	(10,570)
NET INVESTMENT AND INTEREST INCOME		**24,671,624**	12,158,117
Other income		**415,057**	3,149
NET OPERATING INCOME		**25,086,681**	12,161,266
General and administrative expenses	4	**(2,987,919)**	(470,760)
Impairment losses on available-for-sale investments		**(17,516,782)**	-
Loss from revaluation of investment properties		**(822,667)**	-
PROFIT FOR THE YEAR/ PERIOD		**3,759,313**	11,690,506
Basic earnings per share (QR)	15	**0.125**	0.39

The attached notes 1 to 19 form part of these financial statements

BALANCE SHEET
At 31 December 2008

	Notes	**2008 QR**	2007 QR
ASSETS			
Non-current assets			
Office equipment and furniture	5	**212,084**	120,450
Available-for-sale investments	6	**111,199,444**	6,406,484
Investment properties	7	**38,274,833**	-
		149,686,361	6,526,934
Current assets			
Accounts and other receivables	8	**890,710**	2,596,963
Bank balances and cash	9	**132,448,068**	305,911,470
		133,338,778	308,508,433
TOTAL ASSETS		**283,025,139**	315,035,367
SHAREHOLDERS' EQUITY AND LIABILITIES			
Shareholders' Equity			
Share capital	10	**300,000,000**	300,000,000
Treasury shares	11	**(106,038)**	(106,038)
Legal reserve	12	**4,815,903**	4,439,972
Retained earnings		**13,904,837**	10,521,455
Cumulative changes in fair value	6	**(35,797,579)**	(17,020)
Total shareholders' equity		**282,817,123**	314,838,369
Non-current liabilities			
Employees' end of service benefits	13	**71,548**	7,500
Current liabilities			
Accounts payable and accruals	14	**136,468**	189,498
Total liabilities		**208,016**	196,998
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		**283,025,139**	315,035,367

....	....
Abdulrahman Bin Mohamed Bin Jabr Al Thani	Abdul Razzaq M. Al-Siddiqi
Chairman	Board Member

....

Nasser Mohamed Almansouri
Chief Executive

The attached notes 1 to 19 form part of these financial statements

CASH FLOW STATEMENT
Year ended 31 December 2008

	Notes	*1 January 2008 to 31 December 2008 QR*	*1 September 2007 to 31 December 2007 QR*
OPERATING ACTIVITIES			
Profit for the year/period		**3,759,313**	11,690,506
Adjustments for:			
Depreciation	5	**47,209**	-
Provision for employees' end of service benefits	13	**64,048**	7,500
Impairment losses on available-for-sale investments		**17,516,782**	-
Fair value losses on investment properties	7	**822,667**	-
Net gain from sale of available-for-sale investments		**(11,717,877)**	-
Interest income	3	**(9,367,216)**	(11,997,569)
		1,124,926	(299,563)
Working capital changes:			
Purchase of trading investments		**(18,124,801)**	-
Accounts and other receivable		**1,706,253**	(2,596,963)
Accounts payable and accruals		**(53,030)**	189,498
Purchase of available-for-sale investments		**(240,585,976)**	(6,423,504)
Proceeds from sale of available-for-sale investments		**112,338,353**	-
Purchase of investment properties	7	**(39,097,500)**	-
Net cash used in operating activities		**(182,691,775)**	(9,130,532)
INVESTING ACTIVITIES			
Purchase of office equipment and furniture	5	**(138,843)**	(120,450)
Interest received	3	**9,367,216**	11,997,569
Net cash from investing activities		**9,228,373**	11,877,119
FINANCING ACTIVITIES			
Proceeds from issue of shares		-	300,000,000
Net share premium	12	-	3,270,921
Payments for treasury shares		-	(106,038)
Net cash from financing activities		**-**	303,164,883
(DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS		**(173,463,402)**	305,911,470
Cash and cash equivalents at the beginning of the year/period		**305,911,470**	-
CASH AND CASH EQUIVALENTS AT 31 DECEMBER	9	**132,448,068**	305,911,470

The attached notes 1 to 19 form part of these financial statements

STATEMENT OF CHANGES IN EQUITY

Year ended 31 December 2008

	Share capital QR	*Treasury shares QR*	*Legal reserve QR*	*Cumulative changes in fair value QR*	*Retained earnings QR*	*Total QR*
Balance at 1 January 2008	300,000,000	(106,038)	4,439,972	(17,020)	10,521,455	314,838,369
Net movement in fair value	-	-	-	(35,780,559)	-	(35,780,559)
Total income and expense for the year recognised directly in equity	-	-	-	(35,780,559)	-	(35,780,559)
Profit for the year	-	-	-	-	3,759,313	3,759,313
Total income and expenses for the year	-	-	-	(35,780,559)	3,759,313	(32,021,246)
Transfer to legal reserve	-	-	375,931	-	(375,931)	-
Balance at 31 December 2008	**300,000,000**	**(106,038)**	**4,815,903**	**(35,797,579)**	**13,904,837**	**282,817,123**

The attached notes 1 to 19 form part of these financial statements

STATEMENT OF CHANGES IN EQUITY - (continued)
Year ended 31 December 2008

	Share capital	*Treasury shares*	*Legal reserve*	*Cumulative changes in fair values*	*Retained earnings*	*Total*
	QR	*QR*	*QR*	*QR*	*QR*	*QR*
Paid up share capital	300,000,000	-	-	-	-	300,000,000
Treasury shares	-	(106,038)	-	-	-	(106,038)
	300,000,000	(106,038)	-	-	-	299,893,962
Net realised gain reclassified to the income statement on disposal	-	-	-	(171,118)	-	(171,118)
Net unrealised gain	-	-	-	154,098	-	154,098
Total income and expense for the period recognised directly in equity	-	-	-	(17,020)	-	(17,020)
Profit for the period	-	-	-	-	11,690,506	11,690,506
Total income and expenses for the period	-	-	-	(17,020)	11,690,506	11,673,486
Share issuance premium net of issuing costs	-	-	3,270,921	-	-	3,270,921
Transfer to legal reserve	-	-	1,169,051	-	(1,169,051)	-
Balance at 31 December 2007	300,000,000	(106,038)	4,439,972	(17,020)	10,521,455	314,838,369

The attached notes 1 to 19 form part of these financial statements

1 ACTIVITIES

Qatar Oman Investment Company Q.S.C. (public shareholding company) was established under the provisions of Article (68) of Commercial Companies Law No. 5 of 2002 and its Articles of Association. The objectives of the Company is to invest its funds in all types of investment opportunities in the State of Qatar and Sultanate of Oman based on sound business and economic grounds in order to maximise shareholders' returns and contribute to the economic, commercial and social developments in both Qatar and Oman. The Company is registered under the Commercial Registration No. 33411 and is based in Doha, State of Qatar.

The financial statements for the year ended 31 December 2008 were authorised for issue in accordance with a resolution of the Board of Directors on 24 February 2009.

2 SIGNIFICANT ACCOUNTING POLICIES

Basis of preparation
The financial statements have been prepared in accordance with International Financial Reporting Standards and applicable requirements of the Qatar Commercial Companies Law No. 5 of 2002.

The financial statements have been presented in Qatar Riyals, which is the Company's functional and presentation currency.

The financial statements are prepared under the historical cost convention modified to include the measurement at fair value of available-for-sale investments, investments held for trading and investment properties.

IASB Standards and Interpretations issued but not adopted

IFRS 8 - Operating Segments
IFRS 8 Operating Segments was issued by the IASB in November 2006, becoming effective for periods commencing on or after 1 January 2009.

IAS 23- *Borrowing Costs (Revised)*
A revised IAS 23 was issued in March 2008 and becomes effective for financial years beginning on or after 1 January 2009. The standard has been revised to require capitalisation of borrowing costs when such costs relate to a qualifying asset. A qualifying asset is an asset that necessarily takes a substantial period of time to get ready for its intended use or sale. The adoption of this revised standard is not expected to have any impact on the financial statements of the Company.

IAS 1 – Presentation of financial statements (Revised)
A revised IAS 1 was issued in September 2007, and becomes effective for financial years beginning on or after 1 January 2009. The standard has been revised to set overall requirements for the presentation of financial statements.

Revenue recognition
Interest revenue is recognised as the interest accrues using the effective interest method, under which the rate used exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

Rental income from investment properties is accounted for on a straight line basis.

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

2 SIGNIFICANT ACCOUNTING POLICIES (continued)

Office equipment and furniture
Office equipment and furniture are stated at cost less accumulated depreciation and any impairment in value.

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

Office equipment	5 years
Furniture	5 years
Computer software	5 years

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

Expenditure incurred to replace a component of an item of office equipment and furniture that is accounted for separately is capitalised and the carrying amount of the component that is replaced is written off. Other subsequent expenditure is capitalised only when it increases future economic benefits of the related item of office equipment and furniture. All other expenditure is recognised in the income statement as the expense is incurred.

An item of office equipment and furniture is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset is included in the income statement in the year the asset is derecognised.

The asset's residual values, useful lives and method of depreciation are reviewed, and adjusted if appropriate, at each financial year end.

Investment properties
Land and buildings are classified as investment properties when the objective of holding them is to earn rentals or for capital appreciation, or both.

Investment properties are measured initially at cost, including transaction costs. The carrying amount does not include the costs of day to day servicing of an investment property. Subsequent to initial recognition, investment properties are stated at fair value, which reflects market conditions at the balance sheet date. Gains or losses arising from changes in the fair values of investment properties are included in the profit or loss in the year in which they arise.

Investment properties are derecognised when either they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. Any gains or losses on the retirement or disposal of an investment property are recognised in profit or loss in the year of retirement or disposal.

Impairment and uncollectibility of financial assets
An assessment is made at each balance sheet date to determine whether there is objective evidence that a specific financial asset may be impaired. If such evidence exists, any impairment loss is recognised in the income statement. Impairment is determined as follows:

(a) For assets carried at fair value, impairment is the difference between cost and fair value, less any impairment loss previously recognised in the income statement;
(b) For assets carried at cost, impairment is the difference between carrying value and the present value of future cash flows discounted at the current market rate of return for a similar financial asset;
(c) For assets carried at amortised cost, impairment is the difference between carrying amount and the present value of future cash flows discounted at the original effective interest rate.

2 SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial investments

All investments are initially recognised at cost, being the fair value of the consideration given and including incremental acquisition charges. After initial recognition, investments which are classified as "available for sale" and are measured at fair value unless fair value cannot be reliably measured, with unrealised gains or losses reported as a separate component of equity until the investment is derecognised or the investment is determined to be impaired. On derecognition or impairment the cumulative gain or loss previously reported in equity is transferred to the income statement for the year.

The fair value of investments are based on quoted bid prices.

Accounts receivable
Accounts receivable are stated at original invoice amount less a provision for any uncollectible amounts. An estimate for doubtful debts is made when collection of the full amount is no longer probable. Bad debts are written off when there is no possibility of recovery.

Cash and cash equivalents
For the purpose of the Cash Flow Statement, cash and cash equivalents consist of bank balances, and short-term deposits with an original maturity of three months or less.

Accounts payable and accruals
Liabilities are recognised for amounts to be paid in the future for goods or services received, whether billed by the supplier or not.

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

Employees' end of service benefits
The Company provides end of service benefits to its employees. The entitlement to these benefits is based upon the employees' final salary and length of service, subject to the completion of a minimum service period, calculated under the provisions of the Qatar Labour Law and is payable upon resignation or termination of the employee. The expected costs of these benefits are accrued over the period of employment.

Fair values
For investments traded in an active markets, fair value is determined by reference to quoted market bid prices at the close of the business on the balance sheet date.

For unquoted investments, fair value is determined by reference to the market value of a similar investment or is based on the expected discounted cash flows.

If the fair value can not be measured reliably, these financial investments are measured at cost.

2 SIGNIFICANT ACCOUNTING POLICIES (continued)

Pension plan
Under Law No. 24 of 2002 on Retirement and Pension, the Company is required to make contributions to a Government fund scheme for Qatari employees calculated as a percentage of the Qatari employees' salaries. The Company's obligations are limited to these contributions, which are expensed when due.

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

Derecognition of financial instruments
Financial assets
The derecognition of a financial asset takes place when the Company no longer controls the contractual rights that comprise the financial asset, which is normally the case when the asset is sold, or all the cash flows attributable to the asset are passed through to an independent third party.

Financial liabilities
A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

3 INVESTMENTS AND INTEREST INCOME

	1 January 2008 to 31 December 2008 QR	*1 September 2007 to 31 December 2007 QR*
Gain on sale of available-for-sale investments	**11,717,877**	171,118
Interest income	**9,367,216**	11,997,569
Rental income	**3,790,531**	-
	24,875,624	12,168,687

4 GENERAL AND ADMINISTRATIVE EXPENSES

	1 January 2008 to 31 December 2008 QR	*1 September 2007 to 31 December 2007 QR*
Staff costs	**1,470,449**	296,637
Doha Securities Market subscription fees	**503,000**	-
Rents	**278,142**	53,333
Legal and professional charges	**166,703**	10,000
Maintenance	**134,836**	-
Transportation	**100,456**	3,856
Advertisement expenses	**89,162**	11,337
Other expenses	**74,250**	90
Employees' end of service benefits	**64,048**	7,500
Hospitality expenses	**40,469**	33,210
Government fees	**33,611**	47,527
Commissions	**18,822**	-
Printing and stationery	**13,971**	7,270
	2,987,919	470,760

5 OFFICE EQUIPMENT AND FURNITURE

	Office equipment QR	*Furniture QR*	*Computer software QR*	*Total QR*
Cost:				
At 1 January 2008	74,450	-	46,000	120,450
Additions	-	14,643	124,200	138,843
At 31 December 2008	74,450	14,643	170,200	259,293
Depreciation:				
At 1 January 2008	-	-	-	-
Depreciation charge for the year	14,889	1,698	30,622	47,209
At 31 December 2008	14,889	1,698	30,622	47,209
Net carrying amount				
At 31 December 2008	**59,561**	**12,945**	**139,578**	**212,084**
Cost:				
At 1 September 2007	-	-	-	-
Additions	74,450	-	46,000	120,450
At 31 December 2007	74,450	-	46,000	120,450
Depreciation:				
Depreciation charge for the period	-	-	-	-
At 31 December 2007	-	-	-	-
Net carrying amount				
At 31 December 2007	74,450	-	46,000	120,450

No depreciation was provided for office equipment and furniture during the period of 2007 since it was purchased during the last month of the period.

6 AVAILABLE-FOR-SALE INVESTMENTS

	2008	*2007*
	QR	*QR*
Quoted shares	**94,774,731**	6,406,484
Unquoted shares (i)	**16,424,713**	-
	111,199,444	6,406,484

(i) Unquoted shares represent the Company's investments in banks and companies under incorporation, which are neither subsidiaries, associates nor joint ventures and are stated at cost. There is no active market for these investments at present accordingly, its fair value could not be reliably estimated and the Company intends to hold them for the long term, unless an opportunity to dispose presents itself.

The movement in cumulative changes in fair value arising from available-for-sale investments are as follows:

	2008	*2007*
	QR	*QR*
Balance at 1 January	**(17,020)**	-
Net unrealised losses	**(35,780,559)**	(17,020)
	(35,797,579)	(17,020)

7 INVESTMENT PROPERTIES

	2008	*2007*
	QR	*QR*
At 1 January	**-**	-
Additions	**39,097,500**	-
Net loss from changes in fair value	**(822,667)**	-
	38,274,833	-

(i) Investment properties are presented at fair value, which has been determined based on the valuation conducted by Moyassar Saddiq as at 31 December 2008. Moyassar Saddiq is a certified valuer and adjustor, registered with several government entities and is specialised in the valuation of this type of properties. The revaluation has been made based on the market price.

(ii) All the investment properties are located in Qatar.

8 ACCOUNTS AND OTHER RECEIVABLES

	2008 ***QR***	*2007* *QR*
Accounts receivable	**-**	525,589
Accrued interest	**890,710**	2,071,374
	890,710	2,596,963

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

			Past due but not impaired		
	Total *QR*	*Neither past due nor impaired* *QR*	*30 – 60 days* *QR*	*90-180 days* *QR*	*>180 days* *QR*
2008	**890,710**	**890,710**	**-**	**-**	**-**
2007	2,596,963	2,596,963	-	-	-

Unimpaired receivables are expected, on the basis of past experience, to be fully recoverable. It is not the practice of the Company to obtain collateral over receivables and the vast majority are, therefore, unsecured.

9 CASH AND CASH EQUIVALENTS

	2008 ***QR***	*2007* *QR*
Cash at banks	**6,591**	175,313
Cash available for investments (1)	**11,863,254**	-
Short term deposits with an original maturity of three months (2)	**120,578,223**	305,736,157
	132,448,068	305,911,470

(1) The cash held for investment is maintained with an investment broker.

(2) The Company earns a fixed interest rate ranging from 5% to 7.05% per annum on the term deposits.

10 CAPITAL

	2008 ***QR***	*2007* *QR*
Authorised, issued and fully paid share capital of 30,000,000 shares of QR 10 each	**300,000,000**	300,000,000

11 TREASURY SHARES

Treasury shares comprise 10,295 shares at a cost of QR 10.3 per share. In accordance with the prospectus, any parts of the shares resulting from the allotment will be accumulated and paid by the Company. These shares will be subsequently sold when the Company's shares are traded in the Doha Securities Market. As of the balance sheet date, the Company was still in possession of these shares.

12 LEGAL RESERVE

In accordance with Companies' Law No. 5 of 2002, 10% of the net profits is required to be transferred to legal reserve. The transfer to legal reserve may cease when the reserve equals 50% of the paid up share capital. This reserve is not available for distribution except in the manner stipulated in the Companies' Law.

In accordance with the provisions of the Companies' Law No. 5 of 2002, the excess share premium over the transaction costs has been transferred to legal reserve.

13 EMPLOYEES' END OF SERVICE BENEFITS

Movements in the provision recognised in the balance sheet are as follows:

	2008 ***QR***	*2007* *QR*
At 1 January	**7,500**	-
Provided during the year	**64,048**	7,500
	71,548	7,500

14 ACCOUNTS PAYABLE AND ACCRUALS

	2008 ***QR***	*2007* *QR*
Trade accounts payable	**90,001**	90,001
Accrued expenses	**46,467**	91,164
Other credit balances	**-**	8,333
	136,468	189,498

15 EARNINGS PER SHARE

Earnings per share is calculated by dividing profit for the year/period by the weighted average number of shares outstanding during the year/period.

	2008 ***QR***	*2007* *QR*
Profit for the year/period (QR)	**3,759,313**	11,690,506
Weighted average number of shares (share)	**29,989,705**	29,989,705
Earnings per share (QR)	**0.125**	0.39

The weighted average number of shares excludes the treasury shares.

16 RELATED PARTY DISCLOSURES

Related parties represent associated companies, major shareholders, directors and key management personnel of the Company. Pricing policies and terms of these transactions are approved by the Company's management and are similar to the terms of transactions with other parties.

No transactions with related parties were entered into in the current year or previous period.

Compensation of key management personnel of the Company:

The remuneration of key management during the year/period was:

	1 January 2008 to 31 December 2008 QR	*1 September 2007 to 31 December 2007 QR*
Short term benefits – salaries and allowances	**864,000**	280,000
Employees' end of service benefits	**61,369**	7,500
	925,369	287,500

17 FINANCIAL RISK MANAGEMENT

Interest rate risk
The Company is exposed to interest rate risk on its interest bearing bank deposits.

The income statement and equity is not sensitive to the effect of reasonable possible changes in interest rates, with all other variables held constant, as the company does not hold any floating rate financial assets and financial liabilities at 31 December 2008. There were no floating rate deposits outstanding as at 31 December 2008.

Credit risk
The Company seeks to limit its credit risk with respect to customers by setting credit limits for individual customers and monitoring outstanding receivables.

With respect to credit risk arising from the other financial assets of the Company, including bank balances and cash, the Company's exposure to credit risk arises from default of the counterparty, with a maximum exposure equal to the carrying amount of these instruments.

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

		Effect on shareholders' equity	
	Change in equity price %	***2008 QR***	*2007 QR*
Doha Securities Market	**10%**	**8,477,619**	606,608
Muscat Securities Market	**10%**	**999,853**	-

17 FINANCIAL RISK MANAGEMENT (continued)

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

31 December 2008	***Less than 3 months QR***	***3 to 12 months QR***	***1 to 5 years QR***	***> 5 years QR***	***Total QR***
Trade accounts payables and accruals	**46,467**	**90,001**	**-**	**-**	**136,468**
Total	**46,467**	**90,001**	**-**	**-**	**136,468**

31 December 2007	*Less than 3 months QR*	*3 to 12 months QR*	*1 to 5 years QR*	*> 5 years QR*	*Total QR*
Trade accounts payables and accruals	189,498	-	-	-	189,498
Total	189,498	-	-	-	189,498

Currency risk
Currency risk is the risk that the value of the financial instruments will fluctuate due to changes in foreign exchange rates. Management is of the opinion that its exposure to currency risk is minimal.

Capital management
The primary objective of the Company's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support is business and maximize shareholder value.

The Company manages its capital structure and makes adjustments to it, in light of changes in business conditions. To maintain or adjust the capital structure, the Company may adjust the dividend payment or issue new shares. No changes were made in the objectives, policies or processes during the year ended 31 December 2008 and the period ended 31 December 2007. Capital comprises share capital and retained earnings, and is measured at QR 313,798,799 as at 31 December 2008 (2007: QR 310,415,417).

18 FAIR VALUES OF FINANCIAL INSTRUMENTS

The Company's financial instruments comprise of financial assets and financial liabilities.

Financial assets consist of bank balances, available-for-sale investments, investments held for trading, accounts receivables. Financial liabilities consist of payables, and accrued expenses.

The fair values of the financial instruments are not materially different from their carrying values.

19 KEY SOURCES OF ESTIMATION UNCERTAINTY

Impairment of accounts receivable
An estimate of the collectible amount of trade accounts receivable is made when collection of the full amount is no longer probable. For individually significant amounts, this estimation is performed on an individual basis. Amounts which are not individually significant, but which are past due, are assessed collectively and a provision applied according to the length of time past due, based on historical recovery rates.

At the balance sheet date, gross trade accounts and accrued interest were QR 890,770 (2007 : QR 2,596,963) and no provision was made for doubtful debts. Any difference between the amounts actually realised in future periods and the amounts expected will be recognised in the income statement.

Judgements
In the process of applying the Company's accounting policies, management has made the following judgements, apart from those involving estimations, which have the most significant effect on the amounts recognised in the financial statements.

Classification of investments
Management decides on acquisition of an investment whether it should be classified as held for trading, or as available-for-sale.

Investments typically bought with the intention to sell in the near future are classified as held for trading.

Impairment of investments
The Company treats available-for-sale equity investments as impaired when there has been a significant or prolonged decline in the fair value below its cost or where other objective evidence of impairment exists. The determination of what is "significant" or "prolonged" requires considerable judgement. In addition, the Company evaluates other factors, including normal volatility in share price for quoted equities and the future cash flows and the discount factors for unquoted equities.

Useful life of asset
The Company's estimate of useful economic lives of its property and equipment takes into account the renovation frequency of the asset and the future plans of the Company.