

**United Development Company
Q.P.S.C.**

**CONDENSED CONSOLIDATED
INTERIM FINANCIAL STATEMENTS
31 MARCH 2019**

United Development Company Q.P.S.C.

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

31 March 2019

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United Development Company Q.P.S.C.

CONDENSED CONSOLIDATED STATEMENT OF INCOME

For the three months ended 31 March 2019

	Note	For the Three Months Ended 31 March	
		2019 (Unaudited) QR'000	2018 (Unaudited) QR'000
Revenue		530,086	528,483
Cost of revenue		(268,238)	(239,024)
Gross profit		261,848	289,459
Dividend income		36	1,174
Other operating income		14,327	37,589
Gain on sale of investment securities		-	11,000
Fair value gain on investment securities		1,702	-
General and administrative expenses		(64,424)	(80,474)
Sales and marketing expenses		(9,301)	(8,883)
Operating profit		204,188	249,865
Finance income		11,784	10,725
Finance costs		(43,768)	(44,371)
Net finance cost		(31,984)	(33,646)
Net share of results of associates		3,797	3,394
Profit for the period		176,001	219,613
Attributable to:			
Equity holders of the Company		170,596	214,516
Non-controlling interests		5,405	5,097
Profit for the period		176,001	219,613
Basic earnings per share			
Basic earnings per share	6	0.48	0.61

The attached notes 1 to 17 form part of these condensed consolidated interim financial statements.

United Development Company Q.P.S.C.

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER
COMPREHENSIVE INCOME

For the three months ended 31 March 2019

	<i>For the Three Months Ended 31 March</i>	
	2019	2018
	<i>(Unaudited)</i>	<i>(Unaudited)</i>
	QR'000	QR'000
Profit for the period	176,001	219,613
Other comprehensive income		
<i>Other comprehensive income to be reclassified to profit or loss in subsequent periods:</i>		
Net change in cash flow hedge reserve	-	(502)
Total comprehensive income for the period	176,001	219,111
Attributable to:		
Equity holders of the Company	170,596	214,014
Non-controlling interests	5,405	5,097
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	176,001	219,111

The attached notes 1 to 17 form part of these condensed consolidated interim financial statements.


United Development Company Q.P.S.C.

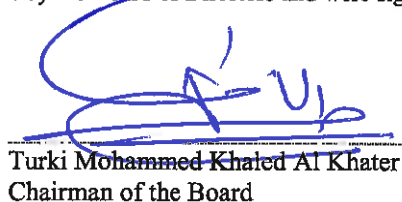
CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 March 2019

	Note	31 March 2019 (Unaudited) QR'000	31 December 2018 (Audited) QR'000
Assets			
Non-current assets			
Property, plant and equipment	7	3,004,652	3,026,216
Investment properties	8	9,423,232	9,434,550
Right of use assets		153,619	-
Intangible assets	9	601	586
Investment in associates	10	47,238	43,441
Investment securities	11	62,283	60,581
Accounts and other receivables	12	362,945	378,815
Deferred costs		185,464	133,438
Total non-current assets		13,240,034	13,077,627
Current assets			
Inventories		1,054,180	1,142,539
Work in Progress		446,921	403,975
Deferred costs		16,805	16,673
Accounts and other receivables	12	2,302,081	2,252,860
Cash and cash equivalents	13	1,258,654	1,441,122
Total current assets		5,078,641	5,257,169
TOTAL ASSETS		18,318,675	18,334,796
Equity and liabilities			
Equity			
Share capital	14	3,540,862	3,540,862
Legal reserve		1,704,517	1,687,457
Other reserves	15	1,212,049	1,212,049
Retained earnings		4,214,283	4,414,833
Equity attributable to equity holders of the Company		10,671,711	10,855,201
Non-controlling interest		299,267	290,911
Total equity		10,970,978	11,146,112
Liabilities			
Non-current liabilities			
Interest bearing loans and borrowings	16	2,480,297	2,534,700
Retention payable		29,112	23,004
Accounts and other payables		136,221	130,042
Deferred revenue		660,459	662,623
Employees' end of service benefits		44,439	36,704
Lease liability		157,203	-
Total non-current liabilities		3,507,731	3,387,073
Current liabilities			
Accounts and other payables		2,474,824	2,354,650
Deferred revenue		55,976	57,032
Interest bearing loans and borrowings	16	1,205,919	1,249,904
Retentions payable		103,247	140,025
Total current liabilities		3,839,966	3,801,611
Total liabilities		7,347,697	7,188,684
TOTAL EQUITY AND LIABILITIES		18,318,675	18,334,796

These condensed consolidated interim financial statements were approved by the Board of Directors and were signed on their behalf by the following on 24 April 2019.


 Ibrahim Jassim Al-Othman
 President and Chief Executive Officer


 Turki Mohammed Khaled Al Khater
 Chairman of the Board

The attached notes 1 to 17 form part of these condensed consolidated interim financial statements.

United Development Company Q.P.S.C.

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the three months ended 31 March 2019

	Attributable to the equity holders of the Company						
	Share capital QR'000	Legal reserve QR'000	Other reserves (Note 15) QR'000	Retained earnings QR'000	Total QR'000	Non-controlling interest QR'000	Total equity QR'000
Balance at 1 January 2019 (Audited)	3,540,862	1,687,457	1,212,049	4,414,833	10,855,201	290,911	11,146,112
Total comprehensive income for the period							
Profit for the period	-	-	-	170,596	170,596	5,405	176,001
Other comprehensive income	-	-	-	-	-	-	-
Total other comprehensive income							
Total comprehensive income for the period				170,596	170,596	5,405	176,001
Transfer to legal reserve	-	17,060	-	(17,060)	-	-	-
Change in minority interest	-	-	-	-	-	2,951	2,951
Dividend paid	-	-	-	(354,086)	(354,086)	-	(354,086)
Total transactions with owners		17,060	-	(371,146)	(354,086)	-	(351,135)
Balance at 31 March 2019 (Unaudited)	3,540,862	1,704,517	1,212,049	4,214,283	10,671,711	299,267	10,970,978

United Development Company Q.P.S.C.

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (CONTINUED)

For the three months ended 31 March 2019

	Attributable to equity holders of the parent						
	Issued Capital QR'000	Legal reserve QR'000	Other reserves QR'000	Retained earnings QR'000	Total QR'000	Non- controlling interest QR'000	Total equity QR'000
Balance at 1 January 2018 (Audited)	3,540,862	1,637,375	1,222,941	4,674,435	11,075,613	460,007	11,535,620
Reclassification IFRS 9	-	-	(18,734)	18,734	-	-	-
Adjustment relating to IFRS 15	-	-	-	(225,049)	(225,049)	(216,223)	(441,272)
Restated opening balance	3,540,862	1,637,375	1,204,207	4,468,120	10,850,564	243,784	11,094,348
Total comprehensive income for the period	-	-	-	214,516	214,516	5,097	219,613
Profit for the period	-	-	-	-	-	-	-
Other comprehensive income	-	-	(502)	-	(502)	-	(502)
Net change in cash flow hedge reserve	-	-	(502)	-	(502)	-	(502)
Total other comprehensive income	-	-	(502)	-	(502)	-	(502)
Total comprehensive income for the period	-	-	(502)	214,516	214,014	5,097	219,111
Transfer to legal reserve	-	21,451	-	(21,451)	-	-	-
Dividend paid	-	-	-	(442,607)	(442,607)	-	(442,607)
Total transactions with equity holders	-	21,451	-	(464,058)	(442,607)	-	(442,607)
Balance at 31 March 2018 (Unaudited)	3,540,862	1,658,826	1,203,705	4,218,578	10,621,971	248,881	10,870,852

The attached notes 1 to 17 form part of these unaudited condensed consolidated interim financial statements.

United Development Company Q.P.S.C.

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the three months ended 31 March 2019

		31 March 2019	31 March 2018
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit for the period		(Unaudited) QR'000 176,001	(Unaudited) QR'000 219,613
Adjustments for:			
Net share of results of associates		(3,797)	(3,394)
Depreciation	7	26,838	25,900
Transfer/Amortization of intangible asset	9	(15)	4,559
(Profit) / loss on disposal of property, plant and equipment		-	139
Loss on write off of property, plant and equipment		-	4,215
Gain on sale of investment securities		-	(11,000)
Net finance costs		31,984	33,646
Dividend income		(36)	(1,174)
Fair value gain on investment securities		(1,702)	-
Provision for employees' end of service benefits		8,024	2,825
Operating profit before working capital changes		237,297	275,329
Changes in working capital:			
Accounts and other receivables – long term		15,870	70,454
Inventories		101,217	122,591
Work in progress		(42,946)	(51,201)
Accounts and other receivables – current, net		(49,221)	(251,685)
Accounts and other payables		124,851	(77,963)
Deferred revenue		(3,220)	-
Deferred cost		(52,159)	-
Retentions payable		(30,670)	5,261
Cash from operating activities		301,019	92,786
Finance cost paid		(43,768)	(46,384)
Employees' end of service benefits paid		(289)	(1,452)
Net cash flows from operating activities		256,962	44,950
CASH FLOWS FROM INVESTING ACTIVITIES			
Additions to property, plant and equipment	7	(5,274)	(5,525)
Right of use assets net of liability		3,584	-
Proceeds from sale of property, plant and equipment		-	181
Finance income received		11,784	10,725
Dividend income received		36	1,174
Additions to investment properties	8	(2,890)	(3,200)
Movement in time deposits maturing after three months		144,758	593,315
Net proceeds from sale of investment securities		-	15,000
Net cash flow from investing activities		151,998	611,670
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from term loans	16	65,201	26,302
Repayment of term loans	16	(165,452)	(165,895)
Dividend paid		(346,420)	(421,060)
Net cash flow used in financing activities		(446,671)	(560,653)
Net (decrease)/increase in cash and cash equivalents		(37,711)	95,967
Cash and cash equivalents at the beginning of the period		272,693	884,312
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	13	234,982	980,279

The attached notes 1 to 17 form part of these condensed consolidated interim financial statements.

United Development Company Q.P.S.C.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

At 31 March 2019

1 CORPORATE INFORMATION AND PRINCIPAL ACTIVITIES

United Development Company Q.P.S.C. (the “Company”) was incorporated as a Qatari Shareholding Company in accordance with the Emiri Decree No. 2 on 2 February 1999 and whose shares are publicly traded. The registered office of the Company is situated in Doha, State of Qatar and its registered office address is P.O box 7256. The condensed consolidated interim financial statements of the Group as at and for the three months period ended 31 March 2019 comprise the Company and its subsidiaries (together referred to as the “Group” and individually as “Group entities”) and the Group’s interest in associates. Information regarding the Group’s structure is provided in Note 3.

The principal activity of the Group is to contribute and invest in infrastructure and utilities, hydrocarbon and energy, urban development, environment related businesses, marina and related services, hospitality and leisure, business management, advertising, providing information technology solutions.

Pursuant to the Emiri Decree No 17 of 2004, the Company has been provided with a right to develop an island off the shore of Qatar for the sale and/or lease of properties. The Company is presently engaged in the development of this area known as “Pearl Qatar project”. The Pearl Qatar project involves reclamation of land covering an area of 985 acres (4.2 million square meters) into a manmade island and the development of the island into various districts comprising housing beachfront villas, town homes, luxury apartments, retail shopping complex, penthouses, five-star hotels, marinas and schools with related infrastructure and community facilities.

The condensed consolidated interim financial statements of United Development Company Q.P.S.C. For the three months ended 31 March 2019 were authorised for issue in accordance with a resolution of the Board of the Directors.

2 BASIS OF ACCOUNTING

The condensed consolidated interim financial statements are prepared in accordance with International Accounting Standard (IAS) 34 “Interim Financial Reporting”.

The condensed consolidated interim financial statements do not include all of the information required in the annual consolidated financial statements and should be read in conjunction with the consolidated financial statements of the Group as at 31 December 2018.

This is the first year in which the Group’s financial statements have applied IFRS 16, which introduced a single, on-balance sheet accounting model for lessees. A lessee recognises a right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments.

The condensed consolidated interim financial statements are prepared and presented in Qatari Riyals rounded to nearest thousands (QR’000) except when otherwise indicated.

The consolidated financial statements of the Group as at and for the year ended 31 December 2018 are available upon request from the Company’s registered office or at www.udcqatar.com.

United Development Company Q.P.S.C.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

At 31 March 2019

3 SIGNIFICANT ACCOUNTING POLICIES

The accounting policies applied in these condensed consolidated interim financial statements are the same as those applied in the Group's consolidated financial statements, as at and for the year ended 31 December 2018, except for the adoption of new standards and interpretations effective as of 01 January 2019.

The following amended accounting standards became effective in 2019 and have been adopted by the Group in preparation of these interim condensed consolidated financial statements as applicable. Whilst they did not have any material impact on these interim condensed consolidated financial statements, they may require additional disclosures in the annual financial statements for the year ending 31 December 2019.

a. New and amended standards and interpretations adopted by the group

During the current period, the group adopted the below amendments and improvements to the International Financial Reporting Standards that are effective for annual periods beginning on 01 January 2019.

Annual Improvement 2015-2017 Cycle

IFRS 3	Business Combinations
IFRS 11	Joint Arrangements
IFRS 12	Income Taxes
IAS 23	Borrowing Costs

Other Changes

IFRIC Interpretation 23	Uncertainty over Income Tax Treatment
Amendments to IFRS 9	Prepayment features with negative compensation
Amendments to IFRS 19	Plan Amendment, Curtailment or Settlement
Amendments to IAS 28	Long-term Interests in Associates and Joint Ventures

The adoption of the above amendments and improvements had no significant impact on the interim condensed consolidated financial statements.

b. Basis of consolidation

The condensed consolidated interim financial statements comprise the financial statements of United Development Company Q.P.S.C. and all its subsidiaries as at 31 March 2019. The financial statements of the subsidiaries are prepared for the same reporting period as that of the parent company, using consistent accounting policies. Below is a list of subsidiaries included in the financial statements

	Country of incorporation	% equity interest	
		2019	2018
Qatar District Cooling Company Q.C.S.C.	Qatar	51	51
Ronautica Middle East W.L.L.	Qatar	100	100
The Pearl Qatar Company W.L.L.	Qatar	100	100
Hospitality Development Company W.L.L.	Qatar	100	100
United Fashion Company W.L.L.	Qatar	100	100
Madina Centrale Company W.L.L.	Qatar	100	100
Abraj Al-Mutahida Company W.L.L.	Qatar	100	100
United Facilities Management Company W.L.L.	Qatar	100	100
Scoop Media and Communication Company W.L.L.	Qatar	100	100
Pragmatech Company W.L.L.	Qatar	100	100
Glitter W.L.L.	Qatar	100	100
Insure Plus W.L.L.	Qatar	100	100
Madina Innova W.L.L.	Qatar	100	100
The Pearl Owners Corporation W.L.L.	Qatar	100	100
United Development Investment Company	Cayman Island	100	100
United Technology Solution W.L.L.	Qatar	100	100
Porto Arabia Retail Company 1	Cayman Island	100	100
Leisure and Resorts Company W.L.L.	Qatar	100	100

United Development Company Q.P.S.C.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

At 31 March 2019

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

b. Basis of consolidation (continued)

Qatar District Cooling Company Q.C.S.C, is a material partly owned subsidiary of the Group and is engaged in the construction, owning and operation of district cooling systems. It consolidates Installation Integrity 2006 W.L.L. (100%) and Cool Tech Qatar W.L.L. (100%) in its consolidated financial statements.

Ronautica Middle East W.L.L. is involved in the development, operation of marina and sale of marine related equipment. During 2008, the capital of Ronautica Middle East W.L.L. was increased from QR 30 million to QR 100 million. The increase in capital was fully paid by the Group, which increased its equity interest from 60% to 88%. During 2009, the Group purchased the non-controlling interest of Ronautica Middle East W.L.L., which increased its equity interest from 88% to 100%.

The Pearl Qatar Company W.L.L. activity is in the real estate sector.

Hospitality Development Company W.L.L. (HDC) is engaged in the investment and management of restaurants and sales and purchases of fast-moving consumer goods in the hospitality sector. HDC consolidates Lebanese Restaurants Development L.L.C (84%), Flavour of Mexico L.L.C (90%), The Rising Sun L.L.C (95.68%), Urban Restaurant Development L.L.C (90%) and Wafflemaster Restaurant L.L.C (100%) in its consolidated financial statements. During the year 2011, the capital of the company was increased from QR 18.250 million to QR 50 million.

HDC took the decision to discontinue the operations of Modern Lebanese Restaurant L.L.C (90%) and China Square L.L.C (80.01%), respectively on 31 May 2014 and 30 September 2015. The liquidation process for Modern Lebanese Restaurant and China Square was completed during 2017. The operations of Urban Restaurant Development L.L.C (90%) also discontinued its operation in 2017.

United Fashion Company W.L.L. (UFC) was engaged in fashion retailing. The mandate of the Company was to acquire top international names for brand franchising and operating in the Middle East. The Company ceased operations during 2017.

Medina Centrale Company W.L.L. is engaged in the investment of real estate properties.

Abraj Al-Mutahida's activity is in the development of real estate properties. During 2016, the name of the company was changed from "Abraj Quartier Company". to "Abraj Al-Mutahida".

United Facilities Management Company W.L.L. was engaged in facility management activity. The Company ceased operations during 2017.

Scoop Media and Communication Company W.L.L. activity is in the advertising sector.

PragmaTech Company W.L.L. activity is in providing information technology solutions. During the year 2012, a decision was taken to close this company's branch in Lebanon.

Glitter W.L.L. activity is to provide cleaning related services.

Insure plus W.L.L. activity is insurance agency and providing technical services and risk related services.

Madina Innova W.L.L. is engaged in providing registry and master community services at the Pearl Qatar.

The Pearl Owners Corporation W.L.L. is engaged in property management support services.

United Development Investment Company is engaged in development and investment of real estate activities.

United Technology Solutions W.L.L. is engaged in providing information technology solutions.

Porto Arabia Retail Company 1 is engaged in real estate rental activities.

Leisure and Resorts W.L.L. activity is in the operation and development of hotels and resorts.

United Development Company Q.P.S.C.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

At 31 March 2019

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

b. Basis of consolidation (continued)

All intra-group balances, transactions, income and expenses and profits and losses resulting from intra-group transactions that are recognised in assets, are eliminated in full.

Subsidiaries are entities controlled by the Group. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases. The Group consolidates all the entities where it has the power to govern the financial and operating policies.

Non-controlling interests represent the portion of profit or loss and net assets not held by the Group and are presented separately in the consolidated statement of profit or loss and within equity in the consolidated statement of financial position, separately from Company shareholders' equity.

On the loss of control, the Group derecognises the assets and liabilities of the subsidiary, any non-controlling interest and the other components of equity related to the subsidiary. Any surplus or deficit recognised on the loss of control is recognised in the consolidated statement of profit or loss. If the Group retains any interest in the previous subsidiary, then such interest is measured at fair value at the date control is lost. Subsequently it is accounted for as equity accounted investee or as an available-for-sale financial asset depending on the level of the influence retained.

4 ESTIMATES

The preparation of condensed consolidated interim financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

The significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those described in the consolidated financial statements as at and for the year ended 31 December 2018.

5 FINANCIAL RISK MANAGEMENT

The Group's financial risk management objectives and policies are consistent with those disclosed in the consolidated financial statements as at and for the year ended 31 December 2018.

6 BASIC AND DILUTED EARNINGS PER SHARE

Basic earnings per share are calculated by dividing the profit for the period attributable to the owners of the Company by the weighted average number of shares outstanding during the period.

	<i>For the Three Months Ended</i>	
	<i>31 March</i>	
	<i>2019</i>	<i>2018</i>
	<i>(Unaudited)</i>	<i>(Unaudited)</i>
Profit for the period attributable to the equity holders of the Company (QR'000)	<u>170,596</u>	<u>214,516</u>
Weighted average number of shares outstanding during the period ('000)	<u>354,086</u>	<u>354,086</u>
Basic and diluted earnings per share (QR)	<u>0.48</u>	<u>0.61</u>

There were no potentially diluted shares outstanding at any time during the period. Therefore, the diluted earnings per share are equal to the basic earnings per share.

United Development Company Q.P.S.C.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

At 31 March 2019

7 PROPERTY, PLANT AND EQUIPMENT

	<i>31 March 2019 (Unaudited) QR'000</i>	<i>31 December 2018 (Audited) QR'000</i>
Net carrying value at 1 January	3,026,216	3,052,891
Additions for the period / year	5,274	83,259
Depreciation for the period / year	(26,838)	(106,904)
Net disposal	-	(365)
Written-off/impairment	-	(2,665)
	<u>3,004,652</u>	<u>3,026,216</u>
Net carrying value at the end of the period/year	<u>3,004,652</u>	<u>3,026,216</u>

8 INVESTMENT PROPERTIES

	<i>31 March 2019 (Unaudited) QR'000</i>	<i>31 December 2018 (Audited) QR'000</i>
Balance at 1 January	9,434,550	9,249,691
Additions - development costs incurred during the year	2,890	83,866
Net transfers	(14,208)	(42,875)
Fair value gain	-	143,868
	<u>9,423,232</u>	<u>9,434,550</u>
Balance at the end of the period / year	<u>9,423,232</u>	<u>9,434,550</u>

9 INTANGIBLE ASSETS

	<i>31 March 2019 (Unaudited) QR'000</i>	<i>31 December 2018 (Audited) QR'000</i>
Balance at 1 January	586	5,776
Transfers	15	-
Amortisation for the period / year	-	(708)
Impairment/write off	-	(4,482)
	<u>601</u>	<u>586</u>
Balance at the end of the period / year	<u>601</u>	<u>586</u>

United Development Company Q.P.S.C.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

At 31 March 2019

10 INVESTMENTS IN ASSOCIATES

The Group has the following investments in associate companies:

	<i>Country of incorporation</i>	<i>Shareholding</i>	<i>31 March 2019 (Unaudited) QR'000</i>	<i>31 December 2018 (Audited) QR'000</i>
Middle East Dredging Company Q.S.C. (a)	Qatar	45.9%	-	-
United Readymix W.L.L. (c)	Qatar	32%	<u>47,238</u>	<u>43,441</u>
			<u>47,238</u>	<u>43,441</u>

Notes:

- (a) Middle East Dredging Company Q.S.C. (MEDCO) is involved in project related dredging and reclamation activities in the Gulf States and other neighbouring countries. The equity holding in MEDCO was impaired in full during 2013. According to the shareholder agreement entered during 2018, the Group's beneficial interest was reduced to 5% concurrently with MEDCO's settlement of a QR 122,094 thousands loan from the Company and as a result, the investment was reclassified as a fair value through profit or loss investment.
- (b) United Readymix W.L.L. is engaged in the production and sale of ready-mix concrete and other building materials.

11 INVESTMENT SECURITIES

	<i>31 March 2019 (Unaudited) QR'000</i>	<i>31 December 2018 (Audited) QR'000</i>
Investment securities	<u>62,283</u>	<u>60,581</u>
	<u>62,283</u>	<u>60,581</u>

12 ACCOUNTS AND OTHER RECEIVABLES

	<i>31 March 2019 (Unaudited) QR'000</i>	<i>31 December 2018 (Audited) QR'000</i>
Accounts receivables, Net	1,668,923	1,733,177
Amounts due from related parties	3,134	9,757
Other receivables, prepayments and advances	<u>992,969</u>	<u>888,741</u>
	<u>2,665,026</u>	<u>2,631,675</u>

Presented in the condensed consolidated statement of financial position as:

Current assets	<u>2,302,081</u>	2,252,860
Non-current assets	<u>362,945</u>	<u>378,815</u>
	<u>2,665,026</u>	<u>2,631,675</u>

United Development Company Q.P.S.C.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

At 31 March 2019

13 CASH AND CASH EQUIVALENTS

	<i>31 March 2019 (Unaudited) QR'000</i>	<i>31 December 2018 (Audited) QR'000</i>
Cash at bank and in hand	193,414	201,694
Time deposits	<u>1,065,240</u>	<u>1,239,428</u>
Total cash and bank balances	1,258,654	1,441,122
Less: reserves / time deposits maturing after 90 days	<u>(1,023,672)</u>	<u>(1,168,429)</u>
Cash and cash equivalents as per statement of cash flows	<u><u>234,982</u></u>	<u><u>272,693</u></u>

Time deposits carry interest at commercial rates.

14 SHARE CAPITAL

	<i>31 March 2019 (Unaudited) QR'000</i>	<i>31 December 2018 (Audited) QR'000</i>
Authorised, issued and fully paid up capital: 354,086,248 ordinary shares of QR 10 each (2018 : 354,086,248 shares of QR 10 each)	<u>3,540,862</u>	<u>3,540,862</u>
Number of shares ('000)		
On issue as at the beginning of the period/year	<u>354,086</u>	<u>354,086</u>
On issue as at the end of the period/year	<u><u>354,086</u></u>	<u><u>354,086</u></u>

At 31 March 2019, the authorised share capital comprised 354,086,248 ordinary shares (2018: 354,086,248 ordinary shares). All shares have a par value of QR 10 and all issued shares are fully paid. The holders of ordinary shares are entitled to receive dividends, as declared from time to time, and are entitled to one vote per share at meetings of the Company. All shares rank equally with regard to the Group's residual assets.

15 OTHER RESERVES

	<i>Asset revaluation reserve QR'000</i>	<i>Total 31 March 2019 (Unaudited) QR'000</i>	<i>Total 31 December 2018 (Audited) QR'000</i>
Balance at 1 January (Audited)	1,212,049	1,212,049	1,222,941
Adjustments on initial application of IFRS 9	-	-	(18,734)
Increase during the period	-	-	7,842
Balance at the end of the period/year	<u>1,212,049</u>	<u><u>1,212,049</u></u>	<u><u>1,212,049</u></u>

Asset revaluation reserve

The asset revaluation reserve is used to record increases in the fair value of property, plant and equipment that were subject to fair valuation and decreases to the extent that such decrease relates to an increase on the same asset previously recognised in equity.

United Development Company Q.P.S.C.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

At 31 March 2019

16 INTEREST BEARING LOANS AND BORROWINGS

	<i>31 March 2019 (Unaudited) QR'000</i>	<i>31 December 2018 (Audited) QR'000</i>
Balance at 1 January	3,804,202	4,192,484
Drawdowns	65,201	137,172
Repayments	<u>(165,452)</u>	<u>(525,454)</u>
	3,703,951	3,804,202
Less: Unamortized finance cost associated with raising finance	<u>(17,735)</u>	<u>(19,598)</u>
Balance at the end of the period / year	<u><u>3,686,216</u></u>	<u><u>3,784,604</u></u>
Presented in the condensed consolidated statement of financial position as:		
Current liability	1,205,919	1,249,904
Non-current liability	<u>2,480,297</u>	<u>2,534,700</u>
	<u><u>3,686,216</u></u>	<u><u>3,784,604</u></u>

17 OPERATING SEGMENTS

The Group has four reportable segments, as described below, which are the Group's strategic business units. The strategic business units offer different products and services and are managed separately because they require separate business strategies. For each of the strategic business units, the Group reviews internal management reports on a regular basis. The following summary describes the operations in each of the Group's reportable segments:

Urban development: This includes real estate development and constructions activities.

Hospitality & leisure: This includes investment and development of hotel, leisure facilities and selling of luxurious items.

Infrastructure & utilities: This includes construction and management of district cooling systems and marina activities.

Other operations include providing information technology solution services and master community services.

Performance is measured based on segment profit, as included in the internal management reports that are reviewed by Management. Segment profit is used to measure performance as management believes such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries. Inter-segment pricing is determined on an arm's length basis.

Geographical segments

The Group has not diversified its activities outside of the State of Qatar except for United Development Investment Company (established in Cayman Island) and Porto Arabia Retail Company 1 (established in Cayman Island). However, these companies do not have any material operations outside Qatar and therefore the majority of the Group's assets are located in Qatar. Accordingly, there are no distinctly identifiable geographical segments in the Group for the period ended 31 March 2019.