قطـــر الخيرية
QATAR CHARITY

Financial
Report

QATAR CHARITY 2019

Qatar Charity applies a system of accounting drawn from a comprehensive set of financial policies and regulations that are fully compliant with local and international standards, and in accordance with global best practices in non-profit, non-governmental organizations.

Qatar Charity Organization
(Charitable Organization)

Financial statements

31 December 2019

Qatar Charity Organization
(Charitable Organization)

Statement of financial position
As at 31 December 2019

In Qatari Riyals

	Note	2019	2018
Assets			
Current assets			
Cash and bank balances	4	**881,006,523**	650,522,129
Receivables and other debit balances	5	**22,491,433**	21,568,734
Notes receivable		**442,313**	758,500
Due from related parties	32	**127,033**	127,133
Balances with external offices	6	**233,313,732**	447,355,136
Total current assets		**1,137,381,034**	1,120,331,632
Non-current assets			
Property, plant and equipment	7	**89,387,244**	87,361,853
Investments property (fair value)	8	**669,865,397**	535,420,346
Granted investments property	9	**9,512,959**	7,883,623
Waqf investments property	10	**38,285,575**	39,414,173
Investment in a subsidiary	11	**200,000**	200,000
Available for sale investments	12	**76,327,181**	72,333,575
Total non-current assets		**883,578,356**	742,613,570
Total assets		**2,020,959,390**	1,862,945,202
Liabilities and net assets			
Current liabilities			
Obligations under capital lease – current portion	13	**16,050,485**	15,635,804
Payables and other credit balances	14	**309,823,602**	334,830,823
Amounts due to Islamic banks – current portion	16	**10,009,909**	1,769,793
Notes payable		**10,963,500**	3,204,485
Total current liabilities		**346,847,496**	355,440,905
Non-current liabilities			
Employees end of service benefits	15	**17,213,593**	14,916,972
Amounts due to Islamic banks – non-current portion	16	**105,679,420**	16,969,869
Obligations under capital lease – non-current portion	13	**16,675,856**	32,511,278
Total non-current liabilities		**139,568,869**	64,398,119
Net assets			
Net restricted assets	17	**1,461,930,081**	1,343,660,643
Net unrestricted assets	17	**9,716,583**	3,378,323
Reserve of unrealized gain from investments property	8	**51,293,329**	88,457,786
Reserve of unrealized gain from available for sale investments	12	**11,603,032**	7,609,426
Total net assets		**1,534,543,025**	1,443,106,178
Total liabilities and net assets		**2,020,959,390**	1,862,945,202

These Financial Statements were approved by the Board of Directors and signed on their behalf by the following on 15 April 2020:

Abdulmonem Youssef **Deputy Finance Manager**	**Mohammed Abdullah Al Yafey** **Executive Officer of Support Affairs**	**Youssef bin Ahmed Al Kawari** **Chief Executive Officer**

The accompanying notes from 1 to 34 form an integral part of these financial statements.

Qatar Charity Organization
(Charitable Organization)

Statement of activities
For the year ended 31 December 2019

In Qatari Riyals

For 2019	Note	Restricted	Unrestricted	Reserve of unrealized gain from investments property	Reserve of unrealized gain from available for sale investments	Total
Donations and Income						
Donations of activities and projects	18	**1,184,291,797**	**96,167,194**	-	-	**1,280,458,991**
Investments Income	19	**30,283,573**	**2,235,335**	-	-	**32,518,908**
Investments Income donations	20	**587,612**	-	-	-	**587,612**
Investments Income waqf	21	**2,667,743**	-	-	-	**2,667,743**
Other income		**4,164,120**	**20,897,980**	-	-	**25,062,100**
Deducted for administrative expenses	22	-	**82,620,751**	-	-	**82,620,751**
Total donations and income		**1,221,994,845**	**201,921,260**	-	-	**1,423,916,105**
Administrative expenses	23	-	**(70,947,491)**	-	-	**(70,947,491)**
Operating expenses of activities and projects	24	**(1,095,757,319)**	**(113,928,037)**	-	-	**(1,209,685,356)**
Investments expenses	25	**(5,233,828)**	**(15,595)**	-	-	**(5,249,423)**
Investments expenses donations	26	**(271,029)**	-	-	-	**(271,029)**
Investments expenses waqf	27	**(2,463,231)**	-	-	-	**(2,463,231)**
Other expenses	28	-	**(10,691,877)**	-	-	**(10,691,877)**
Total expenses		**(1,103,725,407)**	**(195,583,000)**	-	-	**(1,299,308,407)**
Surplus of activities movement during the year		118,269,438	6,338,260	-	-	124,607,698
Assets balance at the beginning of the period		1,343,660,643	3,378,323	-	-	1,347,038,966
Assets balance at the end of the period		1,461,930,081	9,716,583	-	-	1,471,646,664
Reserve of unrealized gain from investments property						
Balance at the beginning of the period		-	-	88,457,786	-	88,457,786
Movement during the year	8	-	-	(37,164,457)	-	(37,164,457)
Balance at the end of the period		-	-	51,293,329	-	51,293,329
Reserve of unrealized gain from available for sale investments						
Balance at the beginning of the period		-	-	-	7,609,426	7,609,426
Movement during the year	12	-	-	-	3,993,606	3,993,606
Balance at the end of the period		-	-	-	11,603,032	11,603,032

The accompanying notes from 1 to 34 form an integral part of these financial statements.

Qatar Charity Organization
(Charitable Organization)

Statement of activities (continued)
For the year ended 31 December 2019

In Qatari Riyals

For 2018	Note	Restricted	Unrestricted	Reserve of unrealized gain from investments property	Reserve of unrealized gain from available for sale investments	Total
Donations and Income						
Donations of activities and projects	18	1,378,218,734	80,288,012	-	-	1,458,506,746
Investments Income	19	31,490,198	3,076,500	-	-	34,566,698
Investments Income donations	20	514,495	-	-	-	514,495
Investments Income waqf	21	1,590,084	-	-	-	1,590,084
Other income		-	17,294,056	-	-	17,294,056
Deducted for administrative expenses	22	-	68,434,308	-	-	68,434,308
Total donations and income		1,411,813,511	169,092,876	-	-	1,580,906,387
Administrative expenses	23	-	(65,077,698)	-	-	(65,077,698)
Operating expenses of activities and projects	24	(1,285,983,080)	(94,526,891)	-	-	(1,380,509,971)
Investments expenses	25	(5,973,637)	(72,413)	-	-	(6,046,050)
Investments expenses donations	26	(178,287)	-	-	-	(178,287)
Investments expenses waqf	27	(2,734,992)	-	-	-	(2,734,992)
Other expenses	28	(26,308,334)	(8,818,545)	-	-	(35,126,879)
Total expenses		(1,321,178,330)	(168,495,547)	-	-	(1,489,673,877)
Surplus of activities movement during the year		90,635,181	597,329	-	-	91,232,510
Assets balance at the beginning of the period		1,253,025,462	2,780,994	-	-	1,255,806,456
Assets balance at the end of the period		1,343,660,643	3,378,323	-	-	1,347,038,966
Reserve of unrealized gain from investments property						
Balance at the beginning of the period		-	-	127,115,201	-	127,115,201
Movement during the year	8	-	-	(38,657,415)	-	(38,657,415)
Balance at the end of the period		-	-	88,457,786	-	88,457,786
Reserve of unrealized gain from available for sale investments						
Balance at the beginning of the period		-	-	-	(1,281,516)	(1,281,516)
Movement during the year	12	-	-	-	8,890,942	8,890,942
Balance at the end of the period		-	-	-	7,609,426	7,609,426

The accompanying notes from 1 to 34 form an integral part of these financial statements.

Qatar Charity Organization
(Charitable Organization)

Statement of cash flows
For the year ended 31 December 2019

In Qatari Riyals

	Note	2019	2018
Operating activities			
Restricted activities surplus		**118,269,438**	90,635,181
Unrestricted activities surplus		**6,338,260**	597,329
Adjustments:			
Depreciation of property, plant and equipment	7	**6,905,986**	7,151,775
Depreciation of granted investments property	9	**209,369**	142,040
Depreciation of waqf investments property	10	**1,153,198**	1,448,447
End of service benefits	15	**3,528,494**	2,704,843
Provision of receivables and other doubtful receivables	5	**(1,926)**	(200,000)
Write-off receivables and other doubtful receivables	5	**-**	(973,489)
Write-off available for sale investments	12	**(843,105)**	-
Impairment loss of available for sale investments	12	**-**	(4,896,274)
		135,559,714	96,609,852
Changes in operating assets and liabilities:			
Receivables and other debit balances (1)	5	**(920,773)**	(10,586,555)
Notes receivable		**316,187**	1,213,190
Due from related parties		**100**	100
Balances with external offices(2)	6	**214,041,404**	(108,763,369)
Payables and other credit balances		**(25,007,221)**	(56,269,737)
Notes payable		**7,759,015**	1,109,793
Cash generated from / (used in) operating activities		**331,748,426**	(76,686,726)
End of service benefits paid		**(1,231,873)**	(312,274)
Net cash from / (used in) operating activities		**330,516,553**	(76,999,000)
Investing activities			
Additions to granted investments property	9	**(386,650)**	-
Additions to waqf investments property	10	**(24,600)**	-
Additions to available for sale investments	12	**-**	(8,564,857)
Proceed from sale of available for sale investments	12	**-**	13,461,131
Change in cash balance with an investment company	12	**-**	12,276
Write-off available for sale investments	12	**843,105**	-
Purchasing of investments property(3) (4)	8	**(173,061,563)**	(1,532,397)
Purchasing of property, plant and equipment	7	**(8,931,377)**	(9,002,238)
Proceed from sale of waqf investment property		**-**	197,574
Net cash used in investing activities		**(181,561,085)**	(5,428,511)
Financing activities			
Net change in amounts due to Islamic banks(6)	16	**96,949,667**	(1,688,932)
Payments of obligations under capital lease contracts		**(15,420,741)**	(14,790,996)
Net cash from / (used in) financing activities		**81,528,926**	(16,479,928)
Net change in cash and cash equivalents		**230,484,394**	(98,907,439)
Cash and cash equivalents at 1 January		**650,522,129**	749,429,568
Cash and cash equivalents at 31 December		**881,006,523**	650,522,129
<u>Non-cash transactions</u>			
(1) Transfer from investment property at fair value to waqf investment property	8	**-**	(3,806,588)
(2) Decrease in Fair value of investments property	8	**(37,164,457)**	(38,657,415)
(3) Available for sale revaluation profit	12	**(3,993,606)**	(8,890,942)
(4) Transfer from investment in fair value to waqf	9	**(1,452,055)**	-
(5) Transfer from granted investment property to waqf	10	**-**	(37,253,606)
(6) Transfer to waqf investment property	10	**-**	41,060,194

The accompanying notes from 1 to 34 form an integral part of these financial statements.

1. Reporting entity

Qatar Charity Organization (the "Charity") is a charity organization registered at the Regulatory Authority for Charitable Activities. It was established in 1992 under Ministerial Decree No. 5 of 1992. The Charity is under the supervision and control of the Authority for Charitable Activities under Emiri Decree No. 43 of 2014 on the Regulatory Authority for Charitable Activities. Law No. 15 of 2014 on regulating charitable activities and its implementing decisions.

The Charity's headquarter is domiciled in Doha – State of Qatar. The Charity has the following branches:

Branch

1. Palestine	13. Niger
2. Tunisia	14. Bosnia
3. Sudan	15. Turkey
4. Yemen	16. Mali
5. Somalia	17. Kosovo
6. Pakistan	18. Djibouti
7. Indonesia	19. Kyrgyzstan
8. Bangladesh	20. Kenya
9. Burkina Faso	21. Sri Lanka
10. Albania	22. Ghana
11. Comoros	23. Nepal
12. Mauritania	24. Chad

The accompanying financial statements comprise of assets, liabilities and results of business of above branches and the net assets and liabilities of the branches has been included among balances with external offices Note (6).

The Charity aims to support and encourage charitable and developmental and humanitarian work, enhance charitable work and strengthen the values of citizenship and human rights in the community, provide financial, in-kind and moral assistance to the needy, provide humanitarian, social, health, cultural and educational services to all communities and establish charitable projects of all kinds.

2. Summary of significant accounting policies

Basis of accounting

The accompanying financial statements have been prepared in accordance with the significant accounting procedures and policies adopted by the Charity and is prepared for special purposes to support the Charity in the presentation of the financial statements in accordance with the mentioned procedures and accounting policies. Since the Charity adopts accounting measures of charitable societies, therefore, the accompanying financial statements are not prepared in accordance with International Financial Reporting Standards, as they do not necessarily show all the assets and liabilities of the Charity as at 31 December 2018.

Details of the accounting policies of the Charity are stated in below notes.

Basis of measurement

These financial statements have been prepared under the historical cost convention except for available for sale financial investments and investments properties, which are measured at fair value.

2. Summary of significant accounting policies (continued)

Functional and presentation currency

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

Use of estimates and judgements

In preparing these separate financial statements, management has made judgments, estimates and assumptions that affect the application of the 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 estimates are recognized prospectively.

Information about significant areas of estimation uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amount recognised in the financial statements are described in Note 31.

The Charity has applied the significant accounting policies consistently on all periods presented in these financial statements:

a) Expenses

Net unrestricted assets include all direct and indirect operating expenses of operating the Charity.
The Charity recognizes expenses as follows: -

- Expenses of activities are recognized when paid.
- Expenses transferred to offices and representative offices outside Qatar are recognized upon the actual payment of the amounts abroad and not upon transfer from the headquarters in Qatar.
- Kafala that should be paid are accrued for at the end of financial year until obtaining the necessary approvals from the concerned authorities and until the bank transfer is made.
- In the case of payments for projects outside Qatar. expenses are recognized based on the actual payment and the Charity does not retain any amounts for contractors as a guarantee until finalisation and technical inspection and completion of the project.

b) Revenues

The Charity registers donations received as unrestricted assets or restricted assets based on the presence or absence of restrictions by the donor and the nature of these restrictions. The services donated to the Charity are recognized at fair value as unrestricted donations only if fair value cannot be reliably measured.

The Charity recognizes donations (receipts) of activities, projects and investments as follows:

- Cash donations and annual government support are recognized upon receipt.
- Non-cash donations are recognized on a regular basis during the useful life of the asset.
- Contributions and deposits are recognized upon receipt of cash.
- Leases are recognized on an accrual basis.
- Revenues from the sale of investments and property, plant and equipment are recognized upon the transfer of ownership to the purchaser.

2. Summary of significant accounting policies (continued)

c) Foreign currency transactions

Transactions in foreign currencies are translated into the respective functional currencies of the Charity at the exchange rates at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies are translated into 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 into the functional currency at the exchange rate when the fair value was determined. Non-monetary items that are measured based on historical cost in a foreign currency are translated based on exchange rate at the date of the transaction. Foreign currency differences are generally recognised in the statement of activities.

d) Property, plant and equipment

Recognition and measurement

Items of property, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment.

Any gain or loss on disposal of an item of property, plant and equipment is recognised in the statement of activities.

Subsequent expenditure

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenses will flow to the Charity.

Depreciation

Depreciation of items of property, plant and equipment is calculated less their estimated residual values using the straight-line method over their estimated useful lives, and is generally recognised in the statement of activities.Leased assets are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Charity will obtain ownership by the end of the lease term. No depreciation is calculated on lands.

The estimated useful lives of property, plant and equipment for current and comparative periods are as follows:

Buildings and improvements	5-20%
Plant, equipment and furniture	20%
Computers and software	33,33%
Motor vehicles	20%

Depreciation methods and useful lives are reviewed at each reporting date and adjusted if appropriate.

2. Summary of significant accounting policies (continued)

d) Property, plant and equipment (continued)

Capital work in progress

Capital work in progress comprises all direct and indirect expenses related to projects in progress, which are capitalized as property, plant and equipment upon completion of these projects.

e) Investments property

Land and buildings are classified as investments property only when the purpose of retention is to earn rentals or for capital appreciation or both purposes.

Investments property are initially measured at cost, including transaction costs and loan costs that are directly related to the construction of the asset. The carrying amount includes the cost of replacing any part of the of an existing investments property at the date of incurring the cost provided that the recognition criteria are considered and costs of investments property day-to-day services are disposed. After initial recognition, investments property are carried at fair value, which reflects market conditions at the date of the financial statements. Gains or losses arising from changes in fair values of investments property are included in the statement of activities for the year in which they arise.

Investments property are derecognized when disposed or permanently withdrawn from use and no future economic benefit is expected from disposal. Any profits or losses arising from the withdrawal or disposal of any investments property are recognized in the statement of activities in the year they are withdrawn or disposed.

Property under construction is treated in accordance with International Accounting Standard 40 and carried at cost less impairment losses until its fair value can be reliably determined or until the construction is completed (whichever is earlier). Meanwhile, it is reclassified as investment property and the adjusted fair value is recognized in the statement of activities.

Transfers are made to or from investments property only when there is a change in use of the property. A transfer from investments property to owner-occupied property, the cost used for subsequent accounting is the fair value at the date of changing the usage. If an owner-occupied property becomes investments property, it is recognized as the difference between the carrying amount and the fair value at the date of transfer as a re-evaluation reserve in net assets, and is transferred to the statement of activities upon disposal of the property.

f) Granted investments property

Investments property is property held either to earn rentals or for capital appreciation or both, but not for sale in ordinary course of business, use in production in the production or supply of goods or services or for administrative purpose. Investments property is stated at cost less accumulated depreciation and impairment losses, if any, Investments property, other than land, are depreciated on a straight-line basis over their estimated useful lives as follows:

Buildings	5-20 years

Cost includes expenditure that is directly attributable to the acquisition of the investments property, The cost of self-constructed investments property includes the cost of materials and direct labour, any other costs directly attributable to bringing the investments property to a working condition for their intended use and capitalised borrowing costs.

The constructed properties to be used in future as investment property it is accounted for as investment property, Properties are accounted for as investment property when the management has clear plans to get benefit from it through rent once the construction is completed.

2. Summary of significant accounting policies (continued)

g) Financial instruments

The Charity classifies non-derivative financial assets in the following categories: cash and bank balances , receivables and other debit balances, notes receivables, due from a related party and available for sale investments.

The Charity classifies non-derivative financial liabilities in other payable balances and notes payable.

(i) Non-derivative financial assets and financial liabilities – recognition and derecognition

The Charity initially recognizes amounts that are receivables and other debit balances on the date when they are originated. All other financial assets and financial liabilities are initially recognized on the trade date when the entity becomes a party to the contractual provisions of the instrument.

The Charity 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 derecognised financial assets that is created or retained by the Charity is recognised as a separate asset or liability.

The Charity derecognises 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 Charity currently has a legally enforceable right to offset the amounts and intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

Non-derivative financial assets – measurement

Cash and balances at bank, trade and other receivables, Note receivables and due from a related party

Initially recognised at fair value plus any directly attributable transaction cost, After initial recognition, they are measured at amortised cost using the effective interest rate method.

Available-for-sale financial assets

These assets are initially measured 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 recognised in statement of other activities and accumulated in the fair value reserve, When these assets are derecognised, the accumulated gain or loss is reclassified to the statement of activities.

2. Summary of significant accounting policies (continued)

g) Financial instruments (continued)

Non-derivative financial liabilities – measurement

A financial liability is classified as at fair value through the statement of activities if it is classified as held-for-trading or is designated as such on initial recognition. Directly attributable transaction costs are recognised in the statement of activities as incurred. Financial liabilities at fair value through the statement of activities are measured at fair value and changes therein, including any interest expense, are recognised in the statement of activities.

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

h) Impairment

Non-derivative financial assets

Financial assets not classified as at fair value through the statement of activities, 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 Charity on terms that the Charity 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 because of financial difficulties; or
- observable data indicating that there is a measurable decrease in the expected cash flows from a group of financial assets.

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 Charity considers a decline of 20% to be significant and a period of nine months to be prolonged.

Financial assets measured at amortised cost

The Charity 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 Charity 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 recognised in the statement of activities and reflected in an allowance account. When the Charity 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 recognised, then the previously recognised impairment loss is reversed through the statement of activities.

2. Summary of significant accounting policies (continued)

h) Impairment (continued)

Non-derivative financial assets (continued)

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 the statement of activities. 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 the statement of activities. 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 the statement of activities. Impairment losses recognised in the statement of activities for an investment in an equity instrument classified as available-for-sale are not reversed through the statement of activities.

Non-financial assets

At each reporting date, the Charity 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.

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 recognised if the carrying amount of an asset or CGU exceeds its recoverable amount. Impairment losses are recognised 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 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 amortisation, if no impairment loss had been recognised.

i) Net assets

Net unrestricted assets

These are part of the non-profit entity's assets, which are not subject to restrictions from the donor; therefor they fall under the full control of the entity's management. Unrestricted assets might be current assets, investments and financial assets, tangible or intangible assets.

Net of restricted assets

Is part of the assets of established non-profit organization, and are subject to restrictions from the part of the donor, and those restrictions may be linked with using the assets for specific purposes (restrictions of use) or the time of this use (restrictions on time) or restrictions associated with both use and time. Restricted assets may be current assets, investments and financial assets, tangible or intangible assets.

2. Summary of significant accounting policies (continued)

j) Provision

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.

k) Leases

At inception or on reassessment of an arrangement that contains a lease, the Charity separates payments and other consideration required by the arrangement into those for the lease and those for other elements on the basis of their relative fair values, If the Charity concludes for a finance lease that it is impracticable to separate the payments reliably, then an asset and a liability are recognised at an amount equal to the fair value of the underlying asset; subsequently, the liability is reduced as payments are made and an imputed finance cost on the liability is recognised using the Charity's incremental borrowing rate.

Lease contract is classified as a capital lease contract if it resulted in substantial transfer of all the benefits and risks of ownership of the asset to the lessee and other leases are classified as operating leases.

Sales and leaseback are capitalized at the present value of the minimum lease payments at the inception of the lease. Lease payments are fragmented between financing expenses and the decrease in lease commitments in order to reach fixed return rate on the remaining balance of the commitment. Finance charges are held directly against the income.

Any increase in the selling price over the carrying value is postponed and is recognized according to the straight-line method on the term of the lease.

Leased assets

Leases of property, plant and equipment are classified as financing leases when all substantial risks and rewards of ownership resulted from financing leases are transferred to the Charity. The leased assets are measured initially at an amount equal to the lower of their fair value and the present value of the minimum lease payments. Subsequent to initial recognition, the assets are accounted for in accordance with the accounting policy applicable to that asset.

Assets held under other leases are classified as operating leases and are not recognised in the Charity's statement of financial position.

Lease payments

Payments made under operating leases are recognised in profit or loss on a straight-line basis over the term of the lease. Lease incentives received are recognised as an integral part of the total lease expense, over the term of the lease.

Minimum lease payments made under finance leases are apportioned between the finance expense and the reduction of the outstanding liability. The finance expense is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

2. Summary of significant accounting policies (continued)

l) Income tax

The Charity is exempted from income tax under the laws of the State of Qatar. Accordingly, income taxe provision was not recognized in the financial statements.

m) Employees' benefits

Contribution to Pension Fund
The Charity provides for contributions to the state-run pension fund for Qatari employees in accordance with the Retirement and Pension Law No. 24 of 2002, and the resulting expense is incorporated within the cost of staff under general and administrative expenses in the statement of activities. The Charity does not have any other payment commitments once it pays the contribution. Contributions are recognized when due.

End of service benefits
The Charity provides for employees' end of service benefits based on employees' last salary and period of employment subject to the completion of the minimum service period in accordance with the Qatar Labour Law and Qatari Human Resources Law No. 15 for the year 2016 and falls due upon resignation or termination. The expected costs of these benefits fall due during the employee's service period.

n) Cost of borrowings

Borrowing costs that are directly attributable to acquisition, construction or production of assets that necessarily take long time to be ready for its intended use or sale, are capitalized as part of the asset costs. All other borrowing costs are paid at the period in which they are incurred. Borrowing costs comprise of interests and other costs incurred by the Charity on obtaining loans.

3. Financial risk management

The Charity has exposure to the following risks from its use of financial instruments:

- Credit risk
- Liquidity risk
- Market risk

The board of directors has overall responsibility for the establishment and oversight of the Charity's risk management framework and internal audit activities. The Board of Directors is in the process of forming committees for risk management and internal audit that will be responsible for developing and monitoring risk management policies and internal audit activities of the Charity. The committees will submit periodic reports to the board on their activities.

The Charity's risk management policies have been developed to identify and analyse the risks faced by the Charity and to set appropriate restrictions and controls for risk and to follow up risks and comply with restrictions. Risk management policies are reviewed periodically to reflect changes in market conditions and the Charity's activities. The Charity aims through training and management standards and procedures to maintain a disciplined and constructive controlled environment that make all employees recognize their roles and duties.

The audit committee oversees how the management follow up compliance with the Charity's risk management policies and procedures, and reviews to what extent the risk management framework is adequate in relation to the risks faced by the Charity. The audit committee is assisted in its supervisory role by the internal audit. The internal audit is responsible for each of the periodic reviews that are designated for risk management controls and procedures, which report their results to the audit committee.

Credit risk

Credit risk is the risk that the Charity incurs losses when an individual or a counterparty to a financial instrument fails to meet its contractual obligations, It mainly arises from the Charity's receivables from customers and investments in debt instruments.

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

Receivables and other debit balances and due from related parties

The Charity's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, the management takes into account factors that may affect the credit risk of its customer base, including the risk of default in the industry and the country in which the customer operates.

The risk management committee developed a credit policy upon which debit balances are classified into receivables and other debit balances, due from a related party and outside offices balances as factors affecting impairment of these balances being reviewed.

The Charity makes an impairment provision representing its estimation of incurred losses in respect of trade and other receivables and related parties.

3. Financial risk management (continued)

Credit risk (continued)

Cash and cash equivalents

Cash and cash equivalents are maintained with banks and counterparties from financial institutions as well as high creditworthy banks that enjoy good reputation in Qatar and the GCC.

Additional information on the Charity’s exposure to credit risk are provided in Note 29.

Liquidity risk

Liquidity risk is the risk that the Charity will face difficulty in meeting its financial obligations that are settled by the delivery of a cash or other financial asset. The Charity’s approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Charity’s reputation.

Additional information on the Charity’s exposure to liquidity risk are provided in Note 29.

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 Charity’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 optimizing the return. The risk management department monitors the changes in shares prices to minimize the market risk taking into account that the Charity policy is to receive dividends from investments at these shares and investment committee chooses shares for large financial corporations to guarantee continuity of receiving dividends on it’s investment on these corporations away from changes in share prices.

Additional information on the Charity’s exposure to liquidity risk are provided in Note 29.

Currency risk

Currency risk is the risk that the value of a financial instrument will fluctuate due to a change in foreign exchange rates.
The Charity is exposed to currency risk in transactions with related parties (external offices) in other currencies other than the functional currency. The Charity exposure to other currency risks is at its lowest levels.
For other monetary cash assets and liabilities denominated in foreign currencies. the Charity always ensure that the net exposure to these risks are at an acceptable level. The risk department periodically evaluate fluctuations in currency prices and tries as possible to deal with currencies that are pigged againist Qatari Riyal.

Additional information on the Charity’s exposure to liquidity risk are provided in Note 29.

Interest rate risk

The Charity adopts a policy that guarantees that most of its exposure to interest rate risk is at fixed price.

4. Cash and bank balances

Include cash and equivalent investment with high liquidity that can be liquated in three months or less.

	2019	2018
Current accounts at banks	**580,874,875**	340,495,888
Deposits at banks*	**300,105,407**	310,000,000
Cash at financial institutions	**26,241**	26,241
	881,006,523	650,522,129

* The term of short-term deposits ranges within three months according to the need to financial liquidity and the average return on these deposits is 4.5 % during 2019 (2018: 4.5%).

5. Receivables and other debit balances

	2019	2018
Prepaid expenses	**10,396,850**	5,472,565
Staff advances	**4,546,920**	4,696,343
Accrued income*	**4,042,800**	8,795,069
Accrued rent	**1,038,718**	1,257,907
Refundable deposit	**3,341,338**	3,189,883
Miscellaneous advances	**1,891,750**	923,129
Other debit balances	**6,808,806**	6,811,513
	32,067,182	31,146,409
Provision for due leases and other doubtful receivable balances	**(9,575,749)**	(9,577,675)
	22,491,433	21,568,734

Movement of the provision during the year was as follows:

	2019	2018
Balance as at 1 January	**9,577,675**	10,751,164
Reversal during the year	**(1,926)**	(200,000)
Write-off	**-**	(973,489)
Balance as at 31 December	**9,575,749**	9,577,675

* Accrued income represent amounts collected from telecommunication companies in Doha against donations via SMS and other methods used by the Charity from these companies.

6. Balances at external offices

Balances at external offices include bank balances and assets and liabilities at external offices that are related to the Charity which are used in establishing projects in countries of each office and due orphan sponsorship that are payable to those who deserve in countries of the offices.

The following table shows details of these balances according to each country: -

	2019	2018
Turkey	**25,869,782**	144,006,414
Indonesia	**26,552,257**	31,088,293
Niger	**13,223,665**	16,312,116
Bangladesh	**3,116,408**	25,988,216
Sudan	**4,732,307**	27,243,450
Bosnia	**4,389,245**	5,856,140
Pakistan	**25,004,933**	18,890,393
Somalia	**1,856,750**	30,344,062
Burkina Faso	**19,122,023**	13,207,185
Mali	**5,945,153**	10,581,424
Yemen	**2,832,372**	41,337,282
Palestine	**24,444,595**	13,172,898
Mauritania	**4,211,791**	6,894,195
Tunisia	**7,057,918**	4,695,812
Kosovo	**4,558,635**	3,155,859
Ghana	**12,618,185**	15,310,376
Kenya	**12,382,173**	10,242,536
Albania	**3,841,709**	4,492,776
Djibouti	**2,313,360**	473,759
Comoros	**955,533**	4,372,222
Nepal	**3,233,871**	2,957,898
Kyrgyzstan	**19,232,381**	10,583,424
Sri Lanka	**2,405,575**	7,055,859
Chad	**4,320,564**	-
Total*	**234,221,185**	448,262,589
Provision for doubtful balances at external offices	**(907,453)**	(907,453)
	233,313,732	447,355,136

Balances of external offices allocated as following by nature:

	2019	2018
Balances at banks	**234,221,185**	448,262,589

7. Property, plant and equipment

	Land	Buildings and improvements*	Plant, equipment and furniture	Computers and Software	Motor vehicles	Capital work in progress**	Total
Cost							
At 1 January 2019	**60,888,718**	**22,517,020**	**28,238,022**	**16,308,170**	**9,128,357**	**2,502,178**	**139,582,465**
Additions	**-**	**2,017,187**	**1,596,529**	**2,025,993**	**1,517,982**	**1,773,686**	**8,931,377**
Transfer to property, plant and equipment	**-**	**40,000**	**-**	**200,000**	**-**	**(240,000)**	**-**
At 31 December 2019	**60,888,718**	**24,574,207**	**29,834,551**	**18,534,163**	**10,646,339**	**4,035,864**	**148,513,842**
Accumulated Depreciation							
At 1 January 2019	**-**	**11,584,515**	**22,127,704**	**12,873,062**	**5,635,331**	**-**	**52,220,612**
Depreciation for the year	**-**	**1,099,462**	**2,508,746**	**1,930,395**	**1,367,383**	**-**	**6,905,986**
At 31 December 2019	**-**	**12,683,977**	**24,636,450**	**14,803,457**	**7,002,714**	**-**	**59,126,598**
Net carrying amounts							
31 December 2019	**60,888,718**	**11,890,230**	**5,198,101**	**3,730,706**	**3,643,625**	**4,035,864**	**89,387,244**
31 December 2018	60,888,718	10,932,505	6,110,318	3,435,108	3,493,026	2,502,178	87,361,853

* During 1993, the Charity rented a piece of land from the Ministry of Municipality and Urban Planning (8500 m^2) in the industrial area for 30 years with an amount of QR 4,250 annually provided that construction work should be finalized within 12 months. The Charity has built the warehouse and the construction has been completed within the specified period. The full cost of construction was included under buildings and improvements with a carrying value of QR 1,420,308.

7. Property, plant and equipment (continued)

	Land	Buildings and improvements*	Plant, equipment and furniture	Computers and Software	Motor vehicles	Capital work in progress**	Total
Cost							
At 1 January 2018	60,888,718	22,067,434	25,987,440	13,462,775	6,943,878	1,229,982	130,580,227
Additions	-	449,586	1,865,428	2,845,395	2,184,479	1,657,350	9,002,238
Transfer to property, plant and equipment	-	-	385,154	-	-	(385,154)	-
At 31 December 2018	60,888,718	22,517,020	28,238,022	16,308,170	9,128,357	2,502,178	139,582,465
Accumulated Depreciation							
At 1 January 2018	-	10,140,392	19,540,712	11,201,504	4,186,229	-	45,068,837
Depreciation for the year	-	1,444,123	2,586,992	1,671,558	1,449,102	-	7,151,775
At 31 December 2018	-	11,584,515	22,127,704	12,873,062	5,635,331	-	52,220,612
Net carrying amounts							
31 December 2018	60,888,718	10,932,505	6,110,318	3,435,108	3,493,026	2,502,178	87,361,853
31 December 2017	60,888,718	11,927,042	6,446,728	2,261,271	2,757,649	1,229,982	85,511,390

8. Investments property (in fair value)

2019	**Investment property**	**Work in progress**	**Total**
Balance as at 1 January	**532,833,791**	**2,586,555**	**535,420,346**
Additions	**173,061,563**	**-**	**173,061,563**
Transfer to granted investment property	**-**	**(1,452,055)**	**(1,452,055)**
Decrease in fair value of investments property during the year	**(37,164,457)**	**-**	**(37,164,457)**
Balance as at 31 December	**668,730,897**	**1,134,500**	**669,865,397**

2018	Investment property	Work in progress	Total
Balance as at 1 January	574,949,397	1,402,555	576,351,952
Additions	301,897	1,230,500	1,532,397
Transfer from work in progress	46,500	(46,500)	-
Transfer to waqf investment property	(3,806,588)	-	(3,806,588)
Decrease in fair value of investments property during the year	(36,072,841)	-	(36,072,841)
Fair value adjustment	(2,584,574)	-	(2,584,574)
Balance as at 31 December	532,833,791	2,586,555	535,420,346

The movement of unrealised gains from investments property during the year is as follows:

	2019	2018
Balance as at 1 January	**88,457,786**	127,115,201
Decrease in fair value of investments property during the year	**(37,164,457)**	(36,072,841)
Fair value adjustment for the investments transferred to waqf	**-**	(2,584,574)
Balance as at 31 December	**51,293,329**	88,457,786

Investments property includes a property owned by a local Islamic bank against a contract of sale and leaseback, where the ownership of the land on which the property was built is in the name of the local bank. The fair value of the property at the date of the financial statements amounts 243,000,000 QR (2018:QR 243,000,000) Note (13).

In addition to the new Lusail property owned by a local Islamic bank in exchange for a lease contract in conjunction with the promise to sell, as ownership of the property in the name of the local bank and the fair value of the property at the date of the financial statements amounted to QR 150,108,854 Note (16).

9. Granted investments property

	2019	2018
Granted investments property at 1 January	**7,883,623**	45,279,269
Additions*	**386,650**	-
Transferred to waqf investments property	**-**	(37,253,606)
Transferred from investments property	**1,452,055**	-
Buildings depreciation	**(209,369)**	(142,040)
Balance as at 31 December	**9,512,959**	7,883,623

The fair value of granted investments property at the date of the preparation of the financial statements amounted to QR 10,446,354 (2018: QR 10,782,990).

During the year, a balance was transferred from investments property, which were included in the balance of investments property presented as a granted, and they were separated and presented under the item of waqf investments to be presented in accordance with the nature of these investments.

10. Waqf investments property

	2019	2018
Waqf investments property at 1 January	**39,414,173**	-
Additions	**24,600**	-
Transfer from investments property	**-**	3,806,588
Transferred from granted investment property	**-**	37,253,606
Disposals	**-**	(197,574)
Buildings depreciation	**(1,153,198)**	(1,448,447)
Balance as at 31 December	**38,285,575**	39,414,173

The fair value of waqf investments property at the date of the preparation of the financial statements amounted to QR 53,757,724 (2018: QR 53,847,803).

11. Investment in a subsidiary

	2019	2018
Balance as at 1 January	**1,532,776**	1,532,776
impairment provision of investment in subsidiary	**(1,332,776)**	(1,332,776)
Balance as at 31 December	**200,000**	200,000

Company Name	**State of Incorporation**	**Shareholding percentage**		**2019**	2018
		2019	2018		
New Resources Group for Real Estate Investment	Qatar	**100%**	100%	**200,000**	200,000
				200,000	200,000

The company has invested 100% in the shares of New Resources Group for Real Estate Investment S.P.C. Since there is no commercial license issued for the company and it did not make any activity during the year, there are no financial statements for the investee at the date of the financial statements.

12. Available for sale investments

	2019	2018
Balance as at 1 January	**91,592,564**	82,713,898
Additions during the year	**-**	8,564,857
Disposal of investments during the year	**-**	(13,461,131)
Write-off available for sale investments	**(843,105)**	-
Impairment losses of re-evaluation of investments*	**3,993,606**	13,787,216
Cash balance movement at investment company	**-**	(12,276)
	94,743,065	91,592,564
Impairment provision of available for sale investments**	**(18,415,884)**	(19,258,989)
Balance as at 31 December	**76,327,181**	72,333,575

* Movement in reserve of re-evaluation of investments during the year was:

	2019	2018
Balance as at 1 January	**(7,609,426)**	1,281,516
provided during the year	**(3,993,606)**	(13,787,216)
Impairment loss on available for sale investment	**-**	4,896,274
Balance as at 31 December	**(11,603,032)**	(7,609,426)

** Movement in impairment of investments during the year was:

	2019	2018
Balance as at 1 January	**(19,258,989)**	(19,258,989)
Write-off available for sale investments	**843,105**	-
Balance as at 31 December	**(18,415,884)**	(19,258,989)

13. Obligations under capital lease arrangement and deferred gains on sale and leaseback transactions

- During 2013, the Charity sold a property to a local bank at an amount of QR 303 million through sale and leaseback agreements, which include the re-purchase option at the end of the lease term. The bank undertook to transfer ownership of the property at the end of the contract term to the Charity free of charge. The Charity paid an advance payment amounts to QR 187 million at the beginning of the contract. The future lease payments related to the leaseback transaction amounting to QR 136,590,561 and includes finance expense amounting to QR 20,590,561.

Total deferred gains from sale and leaseback transactions:

	2019	2018
Total capital lease contract	**303,000,000**	303,000,000
Net carrying amount of sold assets	**(303,000,000)**	(303,000,000)
	-	-

Total remaining future payments under capital lease contract:

	2019	2018
Total future payments under capital lease contract	**34,147,640**	51,866,652
Less: deferred expenses	**(1,421,299)**	(3,719,570)
Current value of future payments under capital lease contract	**32,726,341**	48,147,082
Obligations under capital lease contract – current portion	**16,050,485**	15,635,804
Obligations under capital lease contract – non-current portion	**16,675,856**	32,511,278
	32,726,341	48,147,082

14. Payables and other credit balances

	2019	2018
Payable from charitable organizations*	**5,706,776**	56,877,857
Accrued expenses **	**291,298,118**	273,369,113
Deferred revenue	**146,468**	846,000
Insurances received from others	**631,550**	523,050
Other payables	**12,040,690**	3,214,803
	309,823,602	334,830,823

* During 2017, some of the received donations by other charitable organizations has been transferred to the charity account so that The Charity can use these donations for its normal activity. The Charity has recorded the donations as payable from charitable organizations in the financial statements of the charity.

** Accrued expenses represent amounts payable at the date of the financial statements and these amounts are pending approval of the concerned authorities to enable the Charity to transfer the funds to its beneficiaries. Most of which are payments for certain projects and orphan support abroad.

15. Employees' end of service benefits

	2019	2018
Balance at 1 January	**14,916,972**	12,524,403
Provision for the year	**3,528,494**	2,704,843
Paid during the year	**(1,231,873)**	(312,274)
Balance at 31 December	**17,213,593**	14,916,972

16. Amounts due to Islamic banks

During 2015 the Charity obtained Islamic financing (Musawama) amounting to QR 10,410,894 from the International Islamic Bank that includes financing profits of QR 2,330,894. The Charity paid the net amount of funding amounting to QR 8,080,000 as advance-payment in Istisnaa contract amounting to QR 20,805,148 to build a property. The rest of the contract value amounting to QR 12,725,148 will be paid in one instalments on 4 October 2017. The profit rate on the Islamic financing (Musawama) is approximately 3.75% and is repayable in monthly instalments starting from 22 September 2017 and it ends on 22 August 2027.

During 2017 the Charity had agreement with Qatar international Islamic bank to settle the second payment of Istisnaa contract which is mentioned above by obtaining a finance lease agreement with a granting promise amounting of 12,725,148 Qatar Riyal, the profit percentage of Islamic finance agreement (Ijarah) is 3.75% and the monthly premiums will be paid starting of 4 November 2017 and it will be ended in 4 November 2027.

During the year 2018, the association obtained Islamic financing (rent in conjunction with the promise to sell) in the amount of 102,000,000 Qatari riyals, the amount includes financing profits in the amount of 29,059,560 Qatari riyals, and the percentage of profit on Islamic financing (rent) ranges from 4.95% and is paid in monthly installments starting from August 29, 2019 and ending July 29, 2027.

	2019	2018
Current portion	**10,009,909**	1,769,793
Non-current portion	**105,679,420**	16,969,869
	115,689,329	18,739,662

17. Net assets

a) Net unrestricted assets

Net unrestricted assets is the net result of activity carried forward from previous years, which is not restricted from donors and beneficiaries.

b) Net of restricted assets

Net restricted assets represent temporarily unused donations that have been received from donors for specific purposes or activities by donors and cannot be used in the operating activities of the Charity.

18. Donations of activities and projects

	2019	2018
Social Welfare Projects	**404,105,731**	460,085,193
Education and Culture Projects	**140,718,000**	177,357,367
Economic Empowerment Projects	**23,605,211**	21,198,820
Construction projects and social housing	**69,683,749**	89,120,726
Water and sanitation projects	**98,886,229**	101,605,554
Health and Nutrition Projects	**51,058,917**	67,685,920
Food Security Projects	**58,545,625**	69,883,318
Humanitarian projects and relief	**187,175,947**	303,042,576
Charity and Zakat	**164,788,094**	100,634,970
Operating expenses (Note 22)	**81,891,488**	67,892,302
	1,280,458,991	1,458,506,746

19. Investments income

	2019		2018	
	Restricted	**Unrestricted**	Restricted	Unrestricted
Investments property revenues – rents	**27,830,339**	**2,235,335**	29,207,994	3,076,500
Stocks revenues	**2,453,234**	**-**	2,282,204	-
	30,283,573	**2,235,335**	31,490,198	3,076,500

20. Investments income donations

	2019	2018
Rental income of Al Khor property	**60,579**	62,062
Rental income of Muaither property	**187,575**	169,731
Rental income of Al Rayyan property	**70,609**	80,223
Rental income of Villa Al Saad	**48,000**	-
Rental income of foreign properties	**78,809**	60,439
Other	**142,040**	142,040
	587,612	514,495

21. Investments income waqf

	2019	2018
Rental income of Abu Sidra property	**397,106**	300,769
Rental income of Al Misnad property	**2,270,637**	1,289,315
	2,667,743	1,590,084

22. Deducted for administrative and operating expenses

A percentage ranging from zero - 12.50% is deducted from all receipts and revenue items, which will be divided as follows: 50% for administrative expenses and 30% of indirect operating expenses and 20% direct operating expenses.

	2019	2018
Deducted for administrative expenses	**82,620,751**	68,434,308
Deducted for operating expenses (Note 18)	**81,891,488**	67,892,302
Total deductions against expenses	**164,512,239**	136,326,610

23. Administrative Expenses

Analysis of administrative expenses is as follows:

	2019	2018
Administrative expenses*	**64,041,505**	57,925,923
Depreciation(Note 7)	**6,905,986**	7,151,775
	70,947,491	65,077,698

23. Administrative expenses (continued)

* Analysis of administrative expenses during the year based on the nature of expenses as follow:

	2019	2018
Salaries and wages	**44,721,918**	37,688,219
Rents	**4,765,798**	3,799,756
Employees remunerations	**1,806,351**	2,178,029
Travel and missions	**876,690**	732,690
Post, phone and fax	**1,286,504**	2,041,030
End of service benefits	**1,561,142**	1,092,621
Temporary labour	**3,170,495**	2,277,415
Travel tickets	**229,611**	245,074
Stationery and publications	**387,312**	1,588,315
Maintenance	**593,052**	779,599
Cleaning	**572,815**	387,720
Hospitality	**363,286**	1,358,331
Fees	**183,640**	159,934
Professional and technical fees	**602,990**	538,541
Advertising	**801,976**	363,454
Social security	**266,839**	162,386
Translation	**112,805**	199,215
Training and development	**10,800**	335,000
Guard costs	**8,805**	16,311
Legal consultancy	**546,237**	696,053
Fuels	**45,307**	127,044
Insurance expenses	**52,736**	69,834
Health cards	**1,070,146**	1,077,877
Incidental expenses	**4,250**	11,475
	64,041,505	57,925,923

24. Operating expenses of activity and projects

	2019	2018
Social Welfare Projects	**440,684,273**	465,780,544
Construction projects and social housing	**63,418,208**	127,106,994
Humanitarian projects and relief	**283,580,769**	278,427,497
Water and sanitation projects	**64,501,193**	85,009,452
Education and Culture Projects	**132,129,908**	185,959,020
Food Security Projects	**59,045,606**	70,290,245
Economic Empowerment Projects	**16,408,039**	22,058,746
Health and Nutrition Projects	**35,068,746**	51,095,257
Social and Zakat	**7,293,645**	6,760,556
Deductions to meet operating expenses	**107,554,969**	88,021,660
	1,209,685,356	1,380,509,971

* Analysis of operating expenses during the year based on the nature of expenses as follows:

	2019	2018
Expenses of employee salaries, wages and benefits	**69,753,679**	61,417,661
Expenses of external offices	**37,801,290**	26,603,999
	107,554,969	88,021,660

25. Investments expenses

	2019		2018	
	Restricted	**Unrestricted**	Restricted	Unrestricted
Investment property expenses – rents	**5,233,828**	**15,595**	5,973,637	72,413

26. Investments expenses donations

	2019	2018
Maintenance and management expenses of Al Khor property	**5,987**	5,948
Maintenance and management of Muaither property	**27,439**	20,867
Maintenance and management expenses of Al Rayyan property	**28,234**	9,432
Depreciation	**209,369**	142,040
	271,029	178,287

27. Investments expenses waqf

	2019	2018
Maintenance and management expenses of Al Khor property	**120,986**	33,695
Maintenance and management of Muaither property	**382,203**	330,606
Maintenance and management expenses of Al Rayyan property	**806,844**	922,244
Depreciation	**1,153,198**	1,448,447
	2,463,231	2,734,992

28. Other expenses

	2019	2018
Foreign currency exchange loss	**-**	26,308,334
Bank commission of financial institutions	**10,691,877**	8,818,545
	10,691,877	35,126,879

29. Financial risk management

(a) Interest rate risk

The Charity is exposed to interest rate risk as it borrows funds at both fixed and floating interest rates. Management does not hedge its interest rate risk.

(b) Credit risk

Exposure to credit risk

The carrying amount of financial assets represents the maximum threshold of exposure to credit risk. The maximum exposure to credit risk was at the reporting date as follows:

	2019	2018
Banks balances	**881,006,523**	650,522,129
Receivables and other balances*	**21,670,332**	25,673,844
	902,676,855	676,195,973

*This balance represent receivables and other debit balances minus investment receivables and prepaid expense.

(c) Liquidity risk

The following are the contractual maturities of financial liabilities:

31 December 2019	**Carrying amount**	**Contractual cash flows**	**6 months or less**	**6-12 months**	**1-2 years**
Non-derivative financial liabilities					
Other payables*	**18,525,484**	**(18,525,484)**	**-**	**18,525,484**	**-**
Notes payable	**10,963,500**	**(10,963,500)**	**-**	**10,963,500**	**-**
Amounts due to Islamic banks	**115,689,329**	**(115,689,329)**	**-**	**10,009,909**	**105,679,420**
Obligations under capital lease contract	**32,726,341**	**(32,726,341)**	**-**	**16,050,485**	**16,675,856**
	177,904,654	**(177,904,654)**	**-**	**55,549,378**	**122,355,276**

29. Financial risk management (continued)

(c) Liquidity risk (continued)

31 December 2018	Carrying amount	Contractual cash flows	6 months or less	6-12 months	1-2 years
Non-derivative financial liabilities					
Other payables*	61,461,710	(61,461,710)	-	61,461,710	-
Notes payable	3,204,485	(3,204,485)	-	3,204,485	-
Amounts due to Islamic banks	18,739,662	(18,739,662)	-	1,769,793	16,969,869
Obligations under capital lease contract	48,147,082	(48,147,082)	-	15,635,804	32,511,278
	131,552,939	(131,552,939)	-	82,071,792	49,481,147

*This balance represents payables and other credit balances except accrued expenses.

(d) Currency risk

Currency risk is the risk that the value of financial instruments will fluctuate due to changes in foreign exchange rates. The Charity's functional currency is Qatari Riyal and exchange rates are reviewed periodically by the Charity. Therefore, the management is of the opinion that the Charity's exposure to currency risk is minimal.

30. Fair value of financial instruments

Fair value is the amount for which an asset could be exchanged or an obligation settled between well-informed and willing parties in an arm's length transaction. Differences could arise between carrying amounts on historical basis and fair value estimations.

Basic definition of fair value is the assumption that there is a company operating on the going concern basis without intention in liquidation, substantially reduce the size of its operations or enter into any transactions in accordance with terms that are harmful to the Charity.

Except for available for sale investments the fair value of financial instruments does not differ materially from their carrying amount at the reporting date.

31. Accounting estimates and judgements

Accounting estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Charity makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

(i) Impairment of receivables

An estimate of the collectible amount of trade and other receivables is made when collection of the full amount is no longer probable. For significant accounts, this estimation is performed on an individual basis.

Accounts 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.

31. Accounting estimates and judgements (continued)

(ii) Impairment of available-for-sale investments

Available-for-sale investments are considered to be impaired when there has been a significant or prolonged decline in fair value below its cost or where other objective evidence of impairment exists. The determination of what is “significant” or “prolonged” requires considerable judgment. In addition, the Charity evaluates other factors, including normal volatility in share or shares price.

32. Due from a related party

Due from related party represent receivables balance from New Resources Group for Real Estate Investment against return on investment and the movement during the year as following:

	Nature of transactions	**2019**	2018
New Resources Group for Real Estate Investment	Finance	**127,033**	127,133

33. Subsequent events

There were no material events after the balance sheet date, which have a bearing on the understanding of the financial statements.

34. Comparative figures

The comparative figures for the previous year have been reclassified, where necessary, in order to conform to the current year’s presentation. Such reclassifications do not affect the previously reported net profits, net assets or equity.