Salam International Investment Limited Q.P.S.C.

CONSOLIDATED FINANCIAL STATEMENTS

31 DECEMBER 2021

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INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF SALAM INTERNATIONAL INVESTMENT LIMITED Q.P.S.C.

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Salam International Investment Limited Q.P.S.C. (the "Company") and its subsidiaries (together referred as the "Group"), which comprise the consolidated statement of financial position as at 31 December 2021, and the consolidated statement of income, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at 31 December 2021 and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the consolidated financial statements* section of our report. We are independent of the Group in accordance with the *International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code)* together with the ethical requirements that are relevant to our audit of the consolidated financial statements in the State of Qatar, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current year. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the *Auditor's responsibilities for the audit of the consolidated financial statements* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated financial statements. The results of our audit procedures, including the procedures performed to address the matter below, provide the basis for our audit opinion on the accompanying consolidated financial statements.

Key audit matter	**How our audit addresses the key audit matter**
Valuation of investment properties	
The Group owns investment properties (lands and buildings) located in the State of Qatar, United Arab Emirates and Palestine. The fair value of Group's investment properties as at 31 December 2021 amounted to QR 2,266,079,798 (2020: QR 2,230,185,207), which is approximately 46% (2020: 43%) of the Group's total assets at the reporting date. The Group recorded a net fair value gain of QR 31,557,466 for the year ended 31 December 2021 (2020: net fair value loss of QR 18,577,056) as disclosed in Note 4 to the consolidated financial statements.	Our audit procedures included the following key areas, among others: • We performed walkthrough procedures and obtained understanding of the controls relating to the valuation of investment properties including valuation methods, assumptions and estimates used in the valuation of investment properties. • We assessed the competence, capabilities and objectivity of the external valuer appointed by the management along with the terms of appointment and the scope of work.

Report on the Audit of the Consolidated Financial Statements (continued)

Key Audit Matters (continued)

Key audit matter	How our audit addresses the key audit matter
Valuation of investment properties (continued)	
Valuation of investment properties was considered a key audit matter due to the significance of the balance and the extent of significant judgments and estimates applied in assessing the fair values.	• With the assistance of our internal valuation specialist, we assessed: - whether the valuation approach and methodology used by the management are in accordance with generally accepted valuation standards practices; and - appropriateness of the assumptions and data used in the valuation such as annual cash flows, operating costs, terminal value, growth rate, weighted average cost of capital and market comparable prices where applicable. • We reviewed the adjustments made in the books in relation to the change in fair value of investment properties. • In addition, we assessed the adequacy of the related disclosures in the consolidated financial statements including the disclosure of key assumptions and judgments.

Other Information Included in the Group's 2021 Annual Report
Other information consists of the information included in the Group's Annual Report, other than the consolidated financial statements and our auditor's report thereon. Management is responsible for the other information. The Annual Report is expected to be made available to us after the date of this auditor's report. Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact.

Responsibilities of Management and Board of Directors for the Consolidated Financial Statements
Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRSs, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is responsible for overseeing the Group's financial reporting process.

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Report on the Audit of the Consolidated Financial Statements (continued)

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with Board of Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Board of Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

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INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF
SALAM INTERNATIONAL INVESTMENT LIMITED Q.P.S.C. (CONTINUED)

Report on the Audit of the Consolidated Financial Statements (continued)

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements (continued)

From the matters communicated with Board of Directors, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Legal and Other Regulatory Requirements

Furthermore, in our opinion, proper books of account have been kept by the Company, an inventory count has been conducted in accordance with established principles and the consolidated financial statements comply with the Qatar Commercial Companies' Law No. 11 of 2015, whose certain provisions were subsequently amended by Law No. 8 of 2021 and the Company's Articles of Association. We have obtained all the information and explanations we required for the purpose of our audit, and are not aware of any violations of the above mentioned law or the Articles of Association having occurred during the year, which might have had a material adverse effect on the Group's financial position or performance.

Ahmed Sayed
of Ernst and Young
Auditor's Registration No. 326

Date: 20 February 2022
Doha

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CONSOLIDATED STATEMENT OF FINANCIAL POSITION
At 31 December 2021

	Notes	***2021 QR***	*2020 QR*
ASSETS			
Non-current assets			
Property, plant and equipment	3	**296,085,315**	326,865,100
Investment properties	4	**2,266,079,798**	2,230,185,207
Goodwill	5	**60,625,515**	60,625,515
Intangible assets	6	**30,946,314**	32,651,877
Right-of-use assets	7	**89,660,335**	77,008,763
Investment in joint ventures	8	**67,213,851**	62,359,567
Investment in associates	9	**147,429,908**	144,984,785
Investment securities	10	**108,541,962**	137,979,362
Retention receivables	11	**58,184,255**	99,618,199
Loans to associate companies	31	**23,281,161**	22,519,234
Other assets	12	**80,592,989**	80,362,731
		3,228,641,403	3,275,160,340
Current assets			
Inventories	13	**208,396,810**	256,886,481
Trade and other receivables	14	**374,987,052**	428,839,149
Contract assets	15	**515,439,268**	576,487,822
Amounts due from related parties	31	**252,071,586**	196,025,536
Retention receivables	11	**59,441,003**	87,991,683
Other assets	12	**161,368,150**	135,548,649
Cash and bank balances	16	**155,423,157**	268,071,371
		1,727,127,026	1,949,850,691
TOTAL ASSETS		**4,955,768,429**	5,225,011,031

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The attached notes 1 to 40 form part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)

At 31 December 2021

	Notes	*2021* *QR*	*2020* *QR*
EQUITY AND LIABILITIES			
Equity			
Share capital	17	**1,143,145,870**	1,143,145,870
Legal reserve	18	**471,652,650**	466,489,040
Fair value reserve	10	**(32,523,105)**	(36,266,401)
Accumulated losses		**(29,062,346)**	(68,695,259)
Equity attributable to equity holder of the parent		**1,553,213,069**	1,504,673,250
Non-controlling interests	19	**220,805,203**	217,159,058
Total equity		**1,774,018,272**	1,721,832,308
LIABILITIES			
Non-current liabilities			
Interest bearing loans and borrowings	20	**1,821,913,147**	1,877,461,092
Lease liabilities	7	**82,332,107**	63,644,435
Employees' end of service benefits	21	**60,422,972**	61,663,949
Retention payables	11	**7,261,067**	10,867,015
Trade and other payables	23	**1,839,130**	1,083,984
		1,973,768,423	2,014,720,475
Current liabilities			
Bank overdrafts	16	**50,593,729**	60,503,406
Trade and other payables	23	**199,442,404**	218,779,696
Contract liabilities	15	**38,624,169**	33,905,235
Advances from customers		**111,235,753**	86,969,870
Interest bearing loans and borrowings	20	**576,127,042**	820,323,394
Amounts due to related parties	31	**5,107,568**	1,649,473
Lease liabilities	7	**11,170,156**	19,089,203
Retention payables	11	**14,753,591**	18,679,420
Other liabilities	22	**200,927,322**	228,558,551
		1,207,981,734	1,488,458,248
Total liabilities		**3,181,750,157**	3,503,178,723
TOTAL EQUITY AND LIABILITIES		**4,955,768,429**	5,225,011,031

These consolidated financial statements were approved by the Board of Directors on 20 February 2022 and were signed on its behalf by:

Abdul Salam Issa Abu Issa
Chief Executive Officer & Board Member

Hussam Abu Issa
Vice Chairman

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CONSOLIDATED STATEMENT OF INCOME

For the year ended 31 December 2021

	Notes	***2021*** ***QR***	*2020* *QR*
Revenue from contracts with customers	24	**1,436,578,238**	1,306,232,487
Real-estate income	4	**96,657,110**	103,300,490
Operating cost	25	**(1,135,820,495)**	(1,075,516,941)
GROSS PROFIT		**397,414,853**	334,016,036
Investment income	26	**2,552,969**	4,965,577
Other operating income	27	**48,607,691**	65,847,437
Net fair value gain (loss) on investment properties	4	**31,557,466**	(18,577,056)
Salaries and staff benefits		**(170,645,760)**	(166,057,313)
General and administrative expenses	28	**(85,152,494)**	(98,103,575)
Allowance for expected credit loss on receivables	38	**(13,357,641)**	(74,097,529)
Reversal of allowance for expected credit loss on receivables	11/14/15	**19,895,386**	1,757,299
Depreciation and amortisation	3/6/7	**(66,747,185)**	(84,700,912)
NET OPERATING PROFIT (LOSS)		**164,125,285**	(34,950,036)
Finance costs	29	**(104,608,165)**	(115,464,996)
Share of results of joint ventures	8	**10,398,839**	10,304,793
Share of results of associates		**(9,658,752)**	(19,255,726)
PROFIT (LOSS) BEFORE TAX		**60,257,207**	(159,365,965)
Income tax expense	30	**(1,167,542)**	(716,721)
PROFIT (LOSS) FOR THE YEAR		**59,089,665**	(160,082,686)
Attributable to:			
Equity holders of the parent		**51,636,095**	(146,620,154)
Non-controlling interests	19	**7,453,570**	(13,462,532)
		59,089,665	(160,082,686)
Earnings per share (EPS):			
Basic and diluted earnings (loss) per share	33	**0.045**	(0.128)

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CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2021

	Note	*2021* *QR*	*2020* *QR*
Profit (loss) for the year		**59,089,665**	(160,082,686)
Other comprehensive income			
Items that will not be reclassified to statement of Profit or loss in subsequent periods			
Net change in fair value of investments in equity instruments designated at FVOCI	10	**1,339,073**	(14,888,461)
Total other comprehensive income (loss) for the year		**60,428,738**	(174,971,147)
Attributable to:			
Equity holders of the parent		**52,575,836**	(160,843,927)
Non-controlling interests		**7,852,902**	(14,127,220)
		60,428,738	(174,971,147)

The attached notes 1 to 40 form part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
For the year ended 31 December 2021

	Attributable to equity holders of the parent						
	Share capital QR	*Legal reserve QR*	*Fair value reserve QR*	*Accumulated losses QR*	*Total QR*	*Non-controlling interests QR*	*Total equity QR*
Balance at 1 January 2021	1,143,145,870	466,489,040	(36,266,401)	(68,695,259)	1,504,673,250	217,159,058	1,721,832,308
Profit for the year	-	-	-	51,636,095	51,636,095	7,453,570	59,089,665
Other comprehensive income for the year	-	-	939,741	-	939,741	399,332	1,339,073
Total comprehensive income for the year	-	-	939,741	51,636,095	52,575,836	7,852,902	60,428,738
Net movement in non-controlling interests (Note 19)	-	-	-	-	-	(3,514,556)	(3,514,556)
Acquisition of non-controlling interests (Note 19)	-	-	-	127,911	127,911	(692,201)	(564,290)
Transfer to legal reserve	-	5,163,610	-	(5,163,610)	-	-	-
Transfer to social and sports development fund (Note 34)	-	-	-	(4,163,928)	(4,163,928)	-	(4,163,928)
Reclassification of net change in fair value of equity securities (FVOCI) upon derecognition (Note 10)	-	-	2,803,555	(2,803,555)	-	-	-
Balance at 31 December 2021	**1,143,145,870**	**471,652,650**	**(32,523,105)**	**(29,062,346)**	**1,553,213,069**	**220,805,203**	**1,774,018,272**

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CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (CONTINUED)
For the year ended 31 December 2021

	Attributable to equity holders of the parent						
	Share capital QR	Legal reserve QR	Fair value reserve QR	Retained earnings (Accumulated losses) QR	Total QR	Non-controlling interests QR	Total equity QR
Balance at 1 January 2020	1,143,145,870	466,489,040	(20,986,023)	77,516,976	1,666,165,863	232,966,259	1,899,132,122
Loss for the year	-	-	-	(146,620,154)	(146,620,154)	(13,462,532)	(160,082,686)
Other comprehensive loss for the year	-	-	(14,223,773)	-	(14,223,773)	(664,688)	(14,888,461)
Total comprehensive loss for the year	-	-	(14,223,773)	(146,620,154)	(160,843,927)	(14,127,220)	(174,971,147)
Net movement in non-controlling interests (Note 19)	-	-	-	-	-	(132,856)	(132,856)
Acquisition of non-controlling interests (Note 19)	-	-	-	(648,686)	(648,686)	(1,547,125)	(2,195,811)
Reclassification of net change in fair value of equity securities (FVOCI) upon derecognition (Note 10)	-	-	(1,056,605)	1,056,605	-	-	-
Balance at 31 December 2020	1,143,145,870	466,489,040	(36,266,401)	(68,695,259)	1,504,673,250	217,159,058	1,721,832,308

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CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 December 2021

	Notes	*2021* *QR*	*2020* *QR*
Cash flows from operating activities			
Profit (loss) before tax		**60,257,207**	(159,365,965)
Adjustments for:			
Depreciation of property, plant and equipment	3	**53,433,839**	69,924,304
Net fair value (gain) loss on investment properties	4	**(31,557,466)**	18,577,056
Amortisation of intangible assets	6	**3,319,368**	4,732,856
Depreciation of right-of-use-assets	7	**18,192,945**	24,471,096
Gain on derecognition of right-of-use-assets and lease liabilities		**(88,117)**	(997,412)
Covid-19 lease concessions received		**(1,606,435)**	(3,670,318)
Share of results of joint ventures	8	**(10,398,839)**	(10,304,793)
Share of results of associates		**9,658,752**	19,255,726
Provision for slow moving inventories	13	**7,280,359**	30,599,048
Reversal of provision of slow moving inventories	13	**(20,144,562)**	(2,921,234)
Provision for employees' end of service benefits	21	**10,587,433**	11,798,106
Write-offs of property, plant and equipment and intangible assets	28	**984,468**	15,653,397
Write-offs of inventory	28	**4,934,579**	3,746,634
Allowance for impairment of financial assets and contract assets	38	**13,357,641**	74,097,529
Reversal of allowance for impairment of financial assets and contract assets	38	**(19,895,386)**	(1,757,299)
Finance costs	29	**117,561,661**	132,577,592
Interest income	26	**(1,687,344)**	(1,749,223)
Dividend income	26	**(792,795)**	(573,459)
Gain on disposal of property, plant and equipment	27	**(1,983,259)**	(906,946)
(Gain) loss on disposal of investment in associate	26	**(72,830)**	72,674
Gain on disposal of investment securities		**-**	(2,080,392)
Operating profit before working capital changes		**211,341,219**	221,178,977
Working capital changes:			
Inventories		**56,419,295**	71,206,370
Other assets		**(26,031,810)**	31,116,597
Due from related parties		**(56,797,427)**	(26,802,780)
Retention receivables		**73,431,258**	10,659,479
Contract assets		**65,487,646**	124,949,133
Trade and other receivables		**53,255,493**	(28,038,271)
Due to related parties		**3,458,095**	(2,178,402)
Notes payable		**755,146**	1,083,984
Retention payables		**(7,531,777)**	(24,109,640)
Advances from customers		**24,265,883**	(2,367,360)
Contract liabilities		**4,718,934**	10,184,346
Trade and other payables		**(19,337,292)**	(104,195,407)
Other liabilities		**(43,557,859)**	(67,436,722)
Cash generated from operating activities		**339,876,804**	215,250,304
Employees' end of service benefits paid	21	**(11,828,410)**	(22,837,615)
Income tax paid		**(402,507)**	(468,699)
Net cash from operating activities		**327,645,887**	191,943,990

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CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)

For the year ended 31 December 2021

	Notes	*2021* *QR*	*2020* *QR*
INVESTING ACTIVITIES			
Acquisition of property, plant and equipment		**(25,802,445)**	(11,612,894)
Proceeds from sale of property, plant and equipment		**5,564,361**	3,761,201
Acquisition of investment properties	4	**(4,337,125)**	(4,548,463)
Acquisition of investment in securities	10	**-**	(790,200)
Proceeds from sale of investment securities		**30,776,471**	18,811,961
Acquisition of intangible assets	6	**(1,578,824)**	(1,382,360)
Acquisition of investment in associate	9	**(3,376,000)**	(1,200,000)
Proceeds from disposal of investment in associates		**437,000**	-
Dividends received from joint ventures and associates	8/9	**8,124,544**	9,702,970
Dividends received	26	**792,795**	573,459
Interest received		**1,669,394**	1,695,063
Net cash from investing activities		**12,270,171**	15,010,737
FINANCING ACTIVITIES			
Net movement in borrowings	20	**(372,725,869)**	64,656,766
Net movement in non-controlling interests	19	**(3,514,556)**	(132,856)
Acquisition of non-controlling interests without a change in control		**(564,290)**	(2,195,811)
Finance costs paid		**(46,505,681)**	(37,821,234)
Principle payment of lease liabilities	7	**(18,582,272)**	(16,474,807)
Movement in loan to associate companies		**(761,927)**	(4,072,177)
Net movement in margin deposits against guarantees		**(1,072,755)**	(426,119)
Net cash (used in) from financing activities		**(443,727,350)**	3,533,762
NET (DECREASE) / INCREASE IN CASH AND CASH EQUIUVALENT		**(103,811,292)**	210,488,489
Cash and cash equivalents at 1 January		**206,286,304**	(4,202,185)
CASH AND CASH EQUIVALENTS AT 31 DECEMBER	16	**102,475,012**	206,286,304

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1 CORPORATE INFORMATION AND PRINCIPAL ACTIVITIES

Salam International Investment Limited Q.P.S.C. (the "Company or the "Parent") is a public shareholding company incorporated in the State of Qatar under Amiri Decree No. (1) on 14 January 1998. The registered address of the Company is P.O. Box 15224, Doha, State of Qatar. The commercial registration number of the Company is 20363. The Parent Company's shares are listed on Qatar Stock Exchange.

These consolidated financial statements as at and for the year ended 31 December 2021 comprise the Company and its subsidiaries (together referred to as "the Group" and individually "Group entities").

The main activities of the Company, along with its subsidiaries (the "Group") are to establish, incorporate, acquire, and own enterprises in the contracting, energy and industry, consumer and luxury products, technology, realestate and development sectors, and to invest in securities in local and overseas market.

These consolidated financial statements of the Group as at and for the year ended 31 December 2021 were authorized for issue by the Board of Directors on 20 February 2022.

2 BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation

The consolidated financial statements of Salam International Investment Limited Q.P.S.C. and all its subsidiaries have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board (IASB).

The consolidated financial statements have been prepared under the historical cost convention, except for investment properties and investment securities that have been measured at fair value. The consolidated financial statements are presented in Qatari Riyals ("QR"), which is the Group's functional and presentation currency.

2.2 Statement of compliance

The consolidated financial statements comply with the requirements of Qatar Commercial Companies Law No.11 of 2015, whose certain provisions were subsequently amended by Law No.8 of 2021. The management is in the process of taking necessary actions needed to ensure full compliance with the amended law, including amending the Articles of Association of the Company where necessary, and has concluded that any non-compliance as at the reporting date does not have a material impact on the consolidated financial statements.

2.3 Basis of consolidation

The consolidated financial statements comprise the consolidated financial statements of Salam International Investment Limited Q.P.S.C. and its subsidiaries (together referred to as the "Group"). Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee);
- Exposure, or rights, to variable returns from its involvement with the investee; and
- The ability to use its power over the investee to affect its returns.

When the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee;
- Rights arising from other contractual arrangements; and
- The Group's voting rights and potential voting rights.

2 BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.3 Basis of consolidation (continued)

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of income from the date the Group gains control until the date the Group ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Group and to the non-controlling interests. Losses applicable to the non-controlling interest in excess of the non-controlling interests are allocated against the interest of the Group except to the extent that the non-controlling interest has a binding obligation and is able to make an additional investment to cover losses. These consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies.

Subsidiaries are fully consolidated from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date when such control ceases. The financial statements of the subsidiaries are prepared for the same reporting period as the parent company, using consistent accounting policies.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it derecognises the related assets (including goodwill), liabilities, non-controlling interest and other components of equity, while any resultant gain or loss is recognised in consolidated statement of income. Any investment retained is recognised at fair value.

The consolidated financial statements comprise the financial statements of Salam International Investment Limited Q.P.S.C. and its subsidiaries as listed in Note 32.

2.4 New standards, amendments and interpretations

The Group applied for the first-time certain standards and amendments, which are effective for annual periods beginning on or after 1 January 2021 (unless otherwise stated). The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

Covid-19-Related Rent Concessions beyond 30 June 2021 Amendments to IFRS 16
On 28 May 2020, the IASB issued Covid-19-Related Rent Concessions - amendment to IFRS 16 Leases. The amendments provide relief to lessees from applying IFRS 16 guidance on lease modification accounting for rent concessions arising as a direct consequence of the Covid-19 pandemic. As a practical expedient, a lessee may elect not to assess whether a Covid-19 related rent concession from a lessor is a lease modification. A lessee that makes this election accounts for any change in lease payments resulting from the Covid-19 related rent concession the same way it would account for the change under IFRS 16, if the change were not a lease modification.

The amendment was intended to apply until 30 June 2021, but as the impact of the Covid-19 pandemic is continuing, on 31 March 2021, the IASB extended the period of application of the practical expedient to 30 June 2022. The amendment applies to annual reporting periods beginning on or after 1 April 2021.

The Group has elected to utilise the practical expedient for all rent concessions that meet the criteria.

The effect of the change in the lease liability is reflected in consolidated statement of income in the period in which the event or condition that triggers the rent concession occurs.

The effect of applying the practical expedient is disclosed in Note 7.

2 BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.5 Standard Issued but not yet Effective

The standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Group's consolidated financial statements are disclosed below. The Group intends to adopt these standards, if applicable, when they become effective.

Standards and Interpretations	*Effective date*
Amendments to IFRS 3: Reference to the Conceptual Framework	1 January 2022
Amendments to IAS 16: Property, Plant and Equipment: Proceeds before Intended Use	1 January 2022
Amendments to IAS 37: Onerous Contracts – Costs of Fulfilling a Contract	1 January 2022
IFRS 1 First-time Adoption of International Financial Reporting Standards – Subsidiary as a first-time adopter	1 January 2022
IFRS 9 Financial Instruments: Fees in the '10 per cent' test for derecognition of financial liabilities	1 January 2022
IAS 41 Agriculture: Taxation in fair value measurements	1 January 2022
Amendments to IAS 8: Definition of Accounting Estimates	1 January 2023
Amendments to IAS 1 and IFRS Practice Statement 2: Disclosure of Accounting Policies	1 January 2023
IFRS 17: Insurance contracts	1 January 2023
Amendments to IAS 1: Classification of Liabilities as Current or Non-current	1 January 2023

2.6 Summary of significant accounting policies

Business combinations and goodwill
Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, which is measured at acquisition date fair value, and the amount of any non-controlling interests in the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred and included in administrative expenses.

The Group determines that it has acquired a business when the acquired set of activities and assets include an input and a substantive process that together significantly contribute to the ability to create outputs. The acquired process is considered substantive if it is critical to the ability to continue producing outputs, and the inputs acquired include an organised workforce with the necessary skills, knowledge, or experience to perform that process or it significantly contributes to the ability to continue producing outputs and is considered unique or scarce or cannot be replaced without significant cost, effort, or delay in the ability to continue producing outputs. When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Contingent consideration classified as equity is not remeasured and its subsequent settlement is accounted for within equity. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of IFRS 9 Financial Instruments, is measured at fair value with the changes in fair value recognised in the consolidated statement of income in accordance with IFRS 9. Other contingent consideration that is not within the scope of IFRS 9 is measured at fair value at each reporting date with changes in fair value recognised in consolidated statement of income.

Goodwill is initially measured at cost (being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests and any previous interest held over the net identifiable assets acquired and liabilities assumed). If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in consolidated statement of income.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

2 BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.6 Summary of significant accounting policies (continued)

Business combinations and goodwill (continued)
Where goodwill has been allocated to a cash-generating unit (CGU) and part of the operation within that unit is disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed in these circumstances is measured based on the relative values of the disposed operation and the portion of the cash-generating unit retained.

Goodwill is tested for impairment annually (as at 31 December) and when circumstances indicate that the carrying value may be impaired.

Impairment is determined for goodwill by assessing the recoverable amount of the cash-generating unit (or group of cash-generating units), to which the goodwill relates. Where the recoverable amount of the cash-generating unit (or group of cash-generating units) is less than the carrying amount of the cash-generating unit (or group of cash-generating units) to which goodwill has been allocated, an impairment loss is recognised. Impairment losses relating to goodwill cannot be reversed in future periods.

Investments in joint ventures and associates
An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies.

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control.

The considerations made in determining significant influence or joint control are similar to those necessary to determine control over subsidiaries. The Group's investment in its associate and joint venture are accounted for using the equity method. Under the equity method, the investment in an associate or a joint venture is initially recognised at cost. The carrying amount of the investment is adjusted to recognise changes in the Group's share of net assets of the associate or joint venture since the acquisition date. Goodwill relating to the associate or joint venture is included in the carrying amount of the investment and is not tested for impairment separately.

The consolidated statement of income reflects the Group's share of the results of operations of the associate or joint venture. Any change in OCI of those investees is presented as part of the Group's OCI. In addition, when there has been a change recognised directly in the equity of the associate or joint venture, the Group recognises its share of any changes, when applicable, in the consolidated statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and the associate or joint venture are eliminated to the extent of the interest in the associate or joint venture.

The aggregate of the Group's share of profit or loss of an associate and a joint venture is shown on the face of the consolidated statement of income outside operating profit and represents profit or loss after tax and non-controlling interests in the subsidiaries of the associate or joint venture. The financial statements of the associate or joint venture are prepared for the same reporting period as the Group. When necessary, adjustments are made to bring the accounting policies in line with those of the Group.

After application of the equity method, the Group determines whether it is necessary to recognise an impairment loss on its investment in its associate or joint venture. At each reporting date, the Group determines whether there is objective evidence that the investment in the associate or joint venture is impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate or joint venture and its carrying value, and then recognises the loss within 'Share of profit of an associate and a joint venture' in the consolidated statement of income.

Upon loss of significant influence over the associate or joint control over the joint venture, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the associate or joint venture upon loss of significant influence or joint control and the fair value of the retained investment and proceeds from disposal is recognised in consolidated statement of income.

2 BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.6 Summary of significant accounting policies (continued)

Property, plant and equipment

Property, plant and equipment are carried at cost less accumulated depreciation and any accumulated impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the asset. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to the consolidated statement of income during the financial period in which they are incurred.

Depreciation is calculated based on the estimated useful lives of the applicable assets on a straight-line basis commencing when the assets are ready for their intended use. The estimated useful lives, residual values and depreciation methods are reviewed at each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

The rates of depreciation are based upon the following estimated useful lives:

Buildings	10-20 years
Leasehold improvements	3-4 years
Furniture and fixtures	4-7 years
Motor vehicles	5 years
Equipment and tools	3-5 years

The useful lives are reviewed at each financial reporting date. The change in estimated useful life of assets affects depreciation expense for the period in which the change has occurred and for each future period during the assets' remaining useful life.

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

Assets in the course of construction are carried at cost as capital work in progress, and transferred to property, plant and equipment when operational. All costs directly attributable to bringing the asset to the location and condition necessary for it to be used in the manner intended by management are included in the capital work in progress. No depreciation is charged on such assets until they are available for use.

Capital work in progress is transferred to property, plant and equipment upon commencement of commercial activities of the relevant asset.

Leases

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Group as a lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

Right-of-use assets

The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received.

2 BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.6 Summary of significant accounting policies (continued)

Leases (continued)

Group as a lessee (continued)

Right-of-use assets (continued)
Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

Land	9-20 years
Buildings	3-5 years

If ownership of the leased asset transfers to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. The right-of-use assets are also subject to impairment. Refer to the accounting policies in Note 39 Impairment of non-financial assets.

Lease liabilities
At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

Short-term leases and leases of low-value assets
The Group applies the short-term lease recognition exemption to its short-term leases (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets (i.e. if the value of the asset is less than USD 5,000) recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

Group as a lessor
Leases in which the Group does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease terms and is included in revenue in the consolidated statement of income due to its operating nature. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income.

Investment properties
Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at fair value, which reflects market conditions at the reporting date. Gains or losses arising from changes in the fair values of investment properties are included in consolidated statement of income in the period in which they arise. Fair values are determined based on an annual valuation performed by an accredited external independent valuer applying a valuation model recommended by the International Valuation Standards Committee.

2 BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.6 Summary of significant accounting policies (continued)

Investment properties (continued)
Investment properties are derecognised either when they have been disposed of (i.e., at the date the recipient obtains control) or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognised in the consolidated statement of income in the period of derecognition. In determining the amount of consideration from the derecognition of investment property the Group considers the effects of variable consideration, existence of a significant financing component, non-cash consideration, and consideration payable to the buyer (if any).

Transfers are made to (or from) investment property only when there is a change in use. For a transfer from investment property to owner-occupied property, the deemed cost for subsequent accounting is the fair value at the date of change in use. If owner-occupied property becomes an investment property, the Group accounts for such property in accordance with the policy stated under property, plant and equipment up to the date of change in use.

Intangible assets
Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses. Internally generated intangibles, excluding capitalised development costs, are not capitalised and the related expenditure is reflected in consolidated statement of income in the period in which the expenditure is incurred.

The useful lives of intangible assets are assessed as either finite or indefinite.

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the consolidated statement of income in the expense category that is consistent with the function of the intangible assets. Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

An intangible asset is derecognised upon disposal (i.e., at the date the recipient obtains control) or when no future economic benefits are expected from its use or disposal. Any gain or loss arising upon derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the consolidated statement of income.

The estimated useful lives of intangible assets are as follows:

Computer software	5 years
ERP system	5 years
Trademarks	10 years

Research and development costs
Research costs are expensed as incurred. Development expenditures on an individual project are recognised as an intangible asset when the Group can demonstrate:

- The technical feasibility of completing the intangible asset so that the asset will be available for use or sale
- Its intention to complete and its ability and intention to use or sell the asset
- How the asset will generate future economic benefits
- The availability of resources to complete the asset
- The ability to measure reliably the expenditure during development

2 BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.6 Summary of significant accounting policies (continued)

Intangible assets (continued)

Research and development costs (continued)
Following initial recognition of the development expenditure as an asset, the asset is carried at cost less any accumulated amortisation and accumulated impairment losses. Amortisation of the asset begins when development is complete, and the asset is available for use. It is amortised over the period of expected future benefit. During the period of development, the asset is tested for impairment annually.

Financial instruments – initial recognition and subsequent measurement
A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets

Initial recognition and measurement
Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income (OCI), and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. With the exception of trade receivables and other receivables, amounts due from related parties, contract assets and retention receivable that do not contain a significant financing component or for which the Group has applied the practical expedient, the Group initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient are measured at the transaction price.

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level. Financial assets with cash flows that are not SPPI are classified and measured at fair value through profit or loss, irrespective of the business model.

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. Financial assets classified and measured at amortised cost are held within a business model with the objective to hold financial assets in order to collect contractual cash flows while financial assets classified and measured at fair value through OCI are held within a business model with the objective of both holding to collect contractual cash flows and selling. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the marketplace (regular way trades) are recognised on the trade date, i.e. the date that the Group commits to purchase or sell the asset.

Subsequent measurement
For purposes of subsequent measurement, financial assets are classified in four categories:
- Financial assets at amortised cost (debt instruments)
- Financial assets at fair value through OCI with recycling of cumulative gains and losses (debt instruments)
- Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments)
- Financial assets at fair value through profit or loss

Financial assets at amortised cost (debt instruments)
Financial assets at amortised cost are subsequently measured using the effective interest rate (EIR) method and are subject to impairment. Gains and losses are recognised in consolidated statement of income when the asset is derecognised, modified or impaired.

The Group's financial assets at amortised cost includes trade and other receivables, loans to associate companies, retention receivables, cash and bank balances, amounts due from related parties and contract assets.

2 BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.6 Summary of significant accounting policies (continued)

Financial instruments – initial recognition and subsequent measurement (continued)

Financial assets (continued)

Subsequent measurement (continued)

Financial assets designated at fair value through OCI (equity instruments)
Upon initial recognition, the Group can elect to classify irrevocably its equity investments as equity instruments designated at fair value through OCI when they meet the definition of equity under IAS 32 Financial Instruments: Presentation and are not held for trading. The classification is determined on an instrument-by-instrument basis.

Gains and losses on these financial assets are never recycled to profit or loss. Dividends are recognised as other income in the consolidated statement of income when the right of payment has been established, except when the Group benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI. Equity instruments designated at fair value through OCI are not subject to impairment assessment.

The Group elected to classify irrevocably its quoted and unquoted equity investments under this category.

Financial assets at fair value through profit or loss
Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognised in the consolidated statement of income.

This category includes derivative instruments and listed equity investments which the Group had not irrevocably elected to classify at fair value through OCI. Dividends on listed equity investments are recognised as other income in the consolidated statement of income when the right of payment has been established.

Derecognition
A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Group's consolidated statement of financial position) when:

- The rights to receive cash flows from the asset have expired
  Or
- The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of its continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

Impairment
Further disclosures relating to impairment of financial assets are also provided in the following notes:

- Disclosures for significant assumptions (Note 39)
- Credit risk (Note 38)

2 BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.6 Summary of significant accounting policies (continued)

Financial instruments – initial recognition and subsequent measurement (continued)

Financial assets (continued)

Impairment (continued)
The Group recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

For amounts due from related parties, retention receivables, trade receivables, other receivables and contract assets, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

The Group considers a financial asset in default when contractual payments are 270 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

Financial liabilities

Initial recognition and measurement
Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. All financial liabilities are recognised initially at fair value and, in the case of interest bearing loans and borrowings and payables, net of directly attributable transaction costs.

The Group's financial liabilities include trade and other payables, retention payables, lease liabilities, loans and borrowings including bank overdrafts, contract liabilities and amounts due to related parties.

For purposes of subsequent measurement, financial liabilities are classified in two categories:
- Financial liabilities at fair value through profit or loss
- Financial liabilities at amortised cost (loans and borrowings)

Financial liabilities at fair value through profit or loss
Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Group that are not designated as hedging instruments in hedge relationships as defined by IFRS 9. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Gains or losses on liabilities held for trading are recognised in the consolidated statement of income.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in IFRS 9 are satisfied. The Group has not designated any financial liability as at fair value through profit or loss.

2 BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.6 Summary of significant accounting policies (continued)

Financial instruments – initial recognition and subsequent measurement (continued)

Financial liabilities (continued)

Financial liabilities at amortised cost (loans and borrowings)
This is the category most relevant to the Group. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in consolidated statement of income when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the consolidated statement of income.

Derecognition
A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the consolidated statement of income.

Offsetting of financial instruments
Financial assets and financial liabilities are offset and the net amount is reported in the consolidated statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

Inventories
Inventories are measured at the lower of cost or net realisable value. The cost of inventories is based on the weighted average cost or first in first out method, and includes expenditure incurred in acquiring the inventories, production or conversion costs and other costs incurred in bringing them to their existing location and condition. In case of manufactured inventories and work in progress, cost includes an appropriate share of production overheads based on normal operating capacity.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses. Provision is made for obsolete, slow-moving and damaged inventories based on management's judgment.

Impairment of non-financial assets
The Group assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating units' fair value less costs of disposal and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or cash-generating units exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

The Group bases its impairment calculation on most recent budgets and forecast calculations, which are prepared separately for each of the Group's cash-generating units to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. A long-term growth rate is calculated and applied to project future cash flows after the fifth year. Impairment losses of continuing operations are recognised in the consolidated statement of income in expense categories consistent with the function of the impaired asset, except for properties previously revalued with the revaluation taken to OCI. For such properties, the impairment is recognised in OCI up to the amount of any previous revaluation.

2 BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.6 Summary of significant accounting policies (continued)

Impairment of non-financial assets (continued)
For assets excluding goodwill, an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Group estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the consolidated statement of income unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.

Goodwill is tested for impairment annually as at 31 December and when circumstances indicate that the carrying value may be impaired.

Impairment is determined for goodwill by assessing the recoverable amount of each CGU (or group of CGUs) to which the goodwill relates. When the recoverable amount of the CGU is less than its carrying amount, an impairment loss is recognised. Impairment losses relating to goodwill cannot be reversed in future periods.

Cash and bank balances
Cash and bank balances in the consolidated statement of financial position comprise cash at banks and on hand and short-term deposits with a maturity of three months or less, that are readily convertible to a known amount of cash and subject to an insignificant risk of changes in value.

For the purpose of the consolidated statement of cash flows, cash and cash equivalents consist of cash and bank balances, short-term deposits, as defined above, net of outstanding bank overdrafts and margin deposits against guarantees as they are considered an integral part of the Group's cash management.

Employees' end of service benefits
National employees
With respect to national employees, the Group makes contributions to the government pension fund to the respective local regulatory authorities as a percentage of the employees' salaries in accordance with the requirements of respective local laws pertaining to retirement and pensions, wherever required. The Group's share of contributions to these schemes and are charged to the consolidated statement of profit or loss in the year to which they relate.

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

Provisions
Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Group expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the consolidated statement of income net of any reimbursement.

Revenue from contracts with customers
Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services. The Group has generally concluded that it is the principal in its revenue arrangements, except for consignment sale arrangements, because it typically controls the goods or services before transferring them to the customer.

2 BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.6 Summary of significant accounting policies (continued)

Revenue from contracts with customers (continued)

The following table provides information about the nature and timing of the satisfaction of performance obligations in contracts with customers, including significant payment terms, and the related revenue recognition policies.

Type of product / services	***Nature, timing of satisfaction of performance obligations, significant payment terms***	***Revenue recognition policies***
Rendering of services	Revenue is recognised over time as those services are provided. Since the customer consumes the benefits as and when services are rendered by the Group. Invoices are usually issued upon completion of the job or as agreed in the specific contract.	Revenue is recognised over time as the services are provided. The stage of completion for determining the amount of revenue is assessed based on the input method. The related costs are recognised in consolidated statement of income when they are incurred.
Technology contracts	The Group has determined that for technology contracts, the customer controls all of the work in progress as the hardware / software are being manufactured / developed / purchased. This is because under those contracts, hardware / software are made to a customer's specification and if a contract is terminated by the customer, then the Group is entitled to reimbursement of the costs incurred to date, including a reasonable margin. Invoices are issued according to the contractual terms.	Revenue from these contracts and the associated costs are recognised over time. Progress is determined based on the input method. The total consideration in the contract is allocated between all goods and services based on their stand-alone selling prices. In case where the stand-alone selling price is not applicable, it is determined based on the cost-plus mark-up depending on the nature of goods and services to be provided to different customers. Un-invoiced amounts are presented as contract assets.
Construction contracts	The Group builds civil construction and fit-out works for customers based on their designs and on their premises. Each project commences on receipt of advances from a customer and its length depends on the complexity of the design.	Revenue is recognised over time based on the cost-to-cost input method. The related costs are recognised in consolidated statement of income when they are incurred. Advances received are included in contract liabilities.
Revenue from sale of goods	Revenue is recognised when the control of the goods are transferred to the buyer. Invoices are generated and revenue is recognised at that point in time. Some contracts permit the customer to return an item. Return goods are exchanged only for new goods. i.e. no cash refunds are offered.	Revenue from sale of goods (i.e. retail sales, sale of spare parts, whole-sale sales) is recognised at the point in time when control of the asset is transferred to the customer, generally on delivery of the goods. Revenue was recognised when the goods are delivered and have been accepted by the customers. Revenue is recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur.

Rental income

Rental income receivable from operating leases, less the Group's initial direct costs of entering into the leases, is recognised on a straight-line basis over the term of the lease, except for contingent rental income which is recognised when it arises.

2 BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.6 Summary of significant accounting policies (continued)

Revenue from contracts with customers (continued)

Interest income
Interest income is recognised using the effective interest method.

Dividend income
Dividend income from investments is recognised when the Group's right to receive payment is established.

Contract balances

Contract assets
A contract asset is initially recognised for revenue earned from installation services because the receipt of consideration is conditional on successful completion of the installation. Upon completion of the installation and acceptance by the customer, the amount recognised as contract assets is reclassified to trade receivables.

Trade receivables
A receivable is recognised if an amount of consideration that is unconditional is due from the customer (i.e., only the passage of time is required before payment of the consideration is due). Refer to accounting policies of financial assets.

Contract liabilities
A contract liability is recognised if a payment is received, or a payment is due (whichever is earlier) from a customer before the Group transfers the related goods or services. Contract liabilities are recognised as revenue when the Group performs under the contract (i.e., transfers control of the related goods or services to the customer).

Income tax
Taxes are calculated based on tax laws and regulations in jurisdictions in which the Group companies operate. A tax provision is made based on an evaluation of the expected tax liability.

Deferred income tax is provided, using the liability method, for all temporary differences arising between the tax bases of assets and liabilities and their carrying values for financial reporting purposes. Currently enacted tax rates are used to determine deferred tax. Deferred income tax assets and liabilities are offset as there is a legally enforceable right to offset. The tax effects on the temporary differences are disclosed under non-current liabilities as deferred tax.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the unused tax losses and credits can be utilised. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Borrowing costs
Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

Foreign Currencies
In preparing the consolidated financial statements of the Group, transactions in currencies other than the Group's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Dividend distribution
Dividend distribution to the Group's partners is recognised as a liability in the Group's consolidated financial statements in the period in which the dividends are approved by the shareholders.

2 BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.6 Summary of significant accounting policies (continued)

Contingent liabilities and contingent assets
Contingent liabilities are not recognised in the consolidated financial statements, but are disclosed unless the possibility of an outflow of resources embodying economic benefits is remote. Contingent assets are not recognised in the consolidated financial statements, but are disclosed when an inflow of economic benefits is probable.

Earnings per share
The Group presents basic and diluted earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Parent Company. Diluted EPS is calculated by adjusting the earnings and number of shares for the effects of all dilutive potential shares.

Segment reporting
An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. All operating segments' operating results are reviewed regularly by the management to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

Current versus non-current classification
The Group presents assets and liabilities based on current/non-current classification. An asset as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realised within twelve months after the reporting period; or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within twelve months after the reporting period; or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Group classifies all other liabilities as non-current.

2.7 Use of estimates and judgments

The preparation of the consolidated financial statements in conformity with International Financial Reporting Standards ("IFRSs") requires management to make judgements, estimates and assumptions that affects the application of 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 on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected. The key judgements and estimates made by the Group are detailed in Note 39.

3 PROPERTY, PLANT AND EQUIPMENT

	Land and buildings QR	*Leasehold improvements QR*	*Furniture and fixtures QR*	*Motor vehicles QR*	*Equipment and tools QR*	*Capital work in progress QR*	*Total QR*
Cost:							
At 1 January 2021	305,408,872	296,502,011	101,528,262	48,252,364	205,072,489	19,622,832	976,386,830
Additions	-	7,070,844	436,183	2,389,247	7,201,352	10,156,979	27,254,605
Disposals	(249,500)	(2,006,010)	(3,159,075)	(8,378,277)	(11,284,927)	(154,012)	(25,231,801)
Write-offs	-	(3,356,494)	(950,992)	-	(712,276)	-	(5,019,762)
Transfers (iv)	-	6,532,075	16,788	-	5,345	(6,589,208)	(35,000)
At 31 December 2021	**305,159,372**	**304,742,426**	**97,871,166**	**42,263,334**	**200,281,983**	**23,036,591**	**973,354,872**
Accumulated depreciation:							
At 1 January 2021	128,181,927	212,682,888	86,352,733	38,746,899	183,557,283	-	649,521,730
Depreciation (iii)	10,767,675	24,160,220	4,971,431	3,852,922	9,681,591	-	53,433,839
Relating to disposals	(246,872)	(1,969,304)	(2,949,223)	(7,237,632)	(9,247,668)	-	(21,650,699)
Relating to write-offs	-	(2,699,755)	(758,437)	-	(577,121)	-	(4,035,313)
At 31 December 2021	**138,702,730**	**232,174,049**	**87,616,504**	**35,362,189**	**183,414,085**	**-**	**677,269,557**
Net book value:							
At 31 December 2021	**166,456,642**	**72,568,377**	**10,254,662**	**6,901,145**	**16,867,898**	**23,036,591**	**296,085,315**

3 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

	Land and buildings QR	*Leasehold improvements QR*	*Furniture and fixtures QR*	*Motor vehicles QR*	*Equipment and tools QR*	*Capital work in progress QR*	*Total QR*
Cost:							
At 1 January 2020	289,891,275	324,248,059	108,477,147	53,939,599	214,524,197	20,178,817	1,011,259,094
Additions	-	2,818,926	721,962	378,025	6,004,820	5,130,937	15,054,670
Disposals	(1,007,370)	(2,416,471)	(1,189,591)	(6,065,260)	(12,655,859)	(37,167)	(23,371,718)
Write-offs	(10,000)	(32,576,996)	(6,481,256)	-	(2,800,669)	-	(41,868,921)
Transfers (iv)	16,534,967	4,428,493	-	-	-	(5,649,755)	15,313,705
At 31 December 2020	305,408,872	296,502,011	101,528,262	48,252,364	205,072,489	19,622,832	976,386,830
Accumulated depreciation:							
At 1 January 2020	118,372,943	200,295,574	85,278,311	38,984,131	183,400,910	-	626,331,869
Depreciation (iii)	10,772,411	32,153,165	7,133,546	5,274,008	14,591,174	-	69,924,304
Relating to disposals	(953,431)	(1,432,490)	(878,478)	(5,511,240)	(11,741,824)	-	(20,517,463)
Relating to write-offs	(9,996)	(18,333,361)	(5,180,646)	-	(2,692,977)	-	(26,216,980)
At 31 December 2020	128,181,927	212,682,888	86,352,733	38,746,899	183,557,283	-	649,521,730
Net book value:							
At 31 December 2020	177,226,945	83,819,123	15,175,529	9,505,465	21,515,206	19,622,832	326,865,100

3 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Notes:

(i) Land and buildings include buildings costing value at the reporting date amounted to QR 162,519,738 (2020: QR 162,519,738) that have been constructed on lands leased from the various Government agencies in the State of Qatar and United Arab Emirates.

(ii) Part of land and buildings is being utilised by the Group entities and hence classified under property, plant and equipment (Note 4).

(iii) Depreciation charge has been allocated as follows:

	2021 ***QR***	*2020* *QR*
Operating cost (Note 25)	**4,929,224**	7,720,355
Depreciation expenses (indirect cost)	**48,504,615**	62,203,949
	53,433,839	69,924,304

(iv) This includes Amjad factory property transferred during 2020 from investment property to property, plant and equipment (Note 4) and during the year QR 35,000 transferred to intangible assets (Note 6).

4 INVESTMENT PROPERTIES

	2021 ***QR***	*2020* *QR*
At 1 January	**2,230,185,207**	2,259,863,800
Additions	**4,337,125**	4,548,463
Net fair value gain (loss)	**31,557,466**	(18,577,056)
Transferred to property, plant and equipment *(Note iii)*	**-**	(15,650,000)
At 31 December	**2,266,079,798**	2,230,185,207

Investment properties consists of:

	2021 ***QR***	*2020* *QR*
Completed properties	**1,421,098,929**	1,381,090,014
Lands	**844,980,869**	849,095,193
	2,266,079,798	2,230,185,207

Investment properties by their location are as follows:

	2021 ***QR***	*2020* *QR*
Lands in the State of Qatar	**784,198,258**	775,320,000
Buildings in the State of Qatar	**1,281,435,562**	1,240,773,184
Lands in outside of State of Qatar	**60,782,612**	73,775,193
Buildings in outside of State of Qatar	**139,663,366**	140,316,830
	2,266,079,798	2,230,185,207

4 INVESTMENT PROPERTIES (CONTINUED)

Notes:

(i) The Group has no restriction on the realisability of its investment properties and has no contractual liabilities either to purchase, construct or develop investment properties other than those disclosed in Note 20.

(ii) Investment properties are stated at fair value, which has been determined based on valuations performed by accredited independent valuers. Those valuers are accredited independent valuers with having a recognised and relevant professional qualifications and with recent experience in the location and category of those investment properties being valued. A valuation model in accordance with that recommended by the International Valuation Standards Committee has been applied. The valuer used the market comparable approach for land and income approach for commercial, residential and industrial properties.

(iii) During 2020 the Group transferred Amjad factory property to property, plant and equipment (Note 3).

(iv) The Group generated rental income amounted QR 96,657,110 from investment properties for the year ended 31 December 2021 (2020: QR 103,300,490).

(v) Certain investment properties of the Group with fair value at 31 December 2021 of QR 2,042,058,820 (31 December 2020: QR 1,988,593,184) are mortgaged to a local bank against the facilities obtained by the Group (Note 20).

Portion of these properties are used by Group entities and classified as owner occupied properties under property, plant and equipment with a net book value as at 31 December 2021 amounting to QR 100,240,036 (31 December 2020: QR 103,274,254).

(vi) Description of valuation techniques used and key inputs to valuation of investment properties:

Type of property	***Valuation technique***	***Significant unobservable inputs***	***Range weighted average***	
			31 December 2021	*31 December 2020*
Commercial, residential and industrial properties	Discounted cash flow	Rent income (sqm)	**QR 101 to QR 141**	QR 101 to QR 147
		Weighted average cost of capital	**8.1%**	8.7%
		Terminal growth rate	**2.1%-2.9%**	1.5% - 2.6%
Land	Market comparable method		**QR 60 – QR 300**	QR 100 – QR 300

Income approach
Income approach is a valuation method appraisers and real estate investors use to estimate the value of income producing properties. It is based upon the premise of anticipation i.e., the expectation of future benefits. The most commonly used technique for assessing market value within the income approach is Discounted Cash Flow Method (DCF). This is a financial modelling technique based on explicit assumptions regarding the prospective cash-flow to a property or business and the costs associated with being able to generate the income. A market-derived discount rate is applied to estimated cash flows to establish a present value of the income stream. This Net Present Value (“NPV”) is an indication of market value.

Income capitalisation method
Income capitalisation is used when income is not expected to vary significant over time. This method is used to value the properties that produce consistent annual operating income.

4 INVESTMENT PROPERTIES (CONTINUED)

Notes: (continued)

Market comparable method
This approach involves a comparison of the subject property to similar properties that have actually been sold in arms' length transactions or are offered for sale. This approach demonstrates what buyers have historically been willing to pay (and sellers willing to accept) for similar properties in an open and competitive market and is particularly useful in estimating the value of the land and properties that are typically traded on a unit basis. Generally, the opinion on value is based on evidence of open market transactions in similar property with adjustments of the comparable to differentiate the differences between the subject property and the comparable.

The Group's management determines the valuation policies and procedures for investment property valuations. The fair value that arrived using both methods (i.e discounted cash flow and depreciated replacement cost approach) as of 31 December 2021 and 31 December 2020 is within a similar range.

The fair value measurement for all of the investment properties has been categorised as level 3 fair value based on the inputs to the valuation technique used.

(vii) Material uncertainty relating to measurement of investment properties

The COVID-19 outbreak has had a wide ranging impact on businesses globally as well as locally in the State of Qatar. The Group's independent external valuers have taken into account latest guidelines from RICS and reported the Group's investment property valuations on the basis of 'material valuation uncertainty'.

Management have evaluated the basis, and meaning, of such preparation. Although uncertainty is present within the wider real estate market, with varying impacts being observed, management considers that the existing investment property portfolio of the group to be less impacted by such adverse events due to inherent characteristics of the portfolio which is partially secured future cashflow in relation to the income generating portfolio of assets.

Management understands the basis of such preparation, which primarily intends to highlight future uncertainty and a higher degree of caution. Management have considered this in respect of key sources of estimation uncertainty and have concluded based upon the Group's investment property portfolio that the events of COVID-19 do not give rise to new course of key estimation uncertainty, nor do they impact the potential sensitivity level of a reasonable and possible change that may occur within the next 12 months.

5 GOODWILL

	2021	*2020*
	QR	*QR*
Goodwill	**60,625,515**	60,625,515
	60,625,515	60,625,515

Goodwill acquired in a business combination is allocated, at acquisition, to the cash generating units (CGUs) that are expected to benefit from that business combination. The allocations of the carrying amounts of goodwill to the Group's CGU's (the subsidiary companies) are as follows:

	2021	*2020*
	QR	*QR*
Stream Industries and Engineering Company W.L.L., Qatar	**15,178,083**	15,178,083
Salam Petroleum Services W.L.L., Qatar	**12,937,048**	12,937,048
Salam Enterprises Company L.L.C., UAE	**11,062,279**	11,062,279
Salam Technology W.L.L., Qatar	**9,596,160**	9,596,160
Salam Industries W.L.L., Qatar	**7,531,543**	7,531,543
Qatari German Switchgear Company W.L.L., Qatar	**2,705,253**	2,705,253
Salam Entreprises W.L.L., Qatar	**1,615,149**	1,615,149
	60,625,515	60,625,515

5 GOODWILL (CONTINUED)

Impairment testing of goodwill

The principal assumptions used in the projections relate to revenue, margins, WACC, terminal growth rates and working capital of the respective CGUs. The assumptions are constructed based upon historic experience and management's best estimate of future trends and performance and take into account anticipated efficiency improvements over the forecasted period.

Discount rates reflect management's estimate of the risks specific to each unit. Discount rates are based on a weighted average cost of capital for each CGU. Discount rates relevant to CGUs range from 10.5% to 12 %. (2020: 11% to 12%)

Growth rate estimates for the periods beyond that covered by the projections, long-term growth rates are based on management's best estimates of the growth rate of 2.1% to 2.9%. (2020: 1.5% to 2.6%)

6 INTANGIBLE ASSETS

	2021	*2020*
	QR	*QR*
Cost:		
At 1 January	**77,924,242**	76,207,257
Additions	**1,578,824**	1,382,360
Transferred from property, plant and equipment *(Note 3)*	**35,000**	336,295
Write-off	**(439,851)**	(1,670)
At 31 December	**79,098,215**	77,924,242
Accumulated amortisation:		
At 1 January	**45,272,365**	40,539,723
Amortisation	**3,319,368**	4,732,856
Relating to write-off	**(439,832)**	(214)
At 31 December	**48,151,901**	45,272,365
Net carrying value	**30,946,314**	32,651,877

Intangible assets include costs incurred for computer software, ERP system and trademarks. The costs incurred for computer software are amortised over a period of five years while the costs related to trademarks are amortised over a period of ten years, being their expected useful lives.

7 LEASES

Group as a lessee
The Group has lease contracts for lands and other properties used in its operations. Set out below, are the carrying amounts of right-of-use assets, lease liabilities and their movements during the year:

Right-of-use assets

	Land *QR*	*Buildings* *QR*	*Total* *QR*
Cost:			
At 1 January 2020	63,224,671	114,349,762	177,574,433
Addition during the year	-	7,974,327	7,974,327
Derecognised during the year	-	(71,293,990)	(71,293,990)
At 1 January 2021	63,224,671	51,030,099	114,254,770
Addition during the year	5,411,932	28,833,975	34,245,907
Derecognised during the year	-	(3,706,330)	(3,706,330)
At 31 December 2021	68,636,603	76,157,744	144,794,347
Accumulated depreciation:			
At 1 January 2020	3,518,635	56,974,598	60,493,233
Depreciation charge for the year*	3,518,636	22,616,305	26,134,941
Relating to derecognition	-	(49,382,167)	(49,382,167)
At 1 January 2021	7,037,271	30,208,736	37,246,007
Depreciation charge for the year*	3,406,817	16,338,154	19,744,971
Relating to derecognition	-	(1,856,966)	(1,856,966)
At 31 December 2021	10,444,088	44,689,924	55,134,012
Carrying amounts:			
At 31 December 2021	**58,192,515**	**31,467,820**	**89,660,335**
At 31 December 2020	56,187,400	20,821,363	77,008,763

* Depreciation charge has been allocated as follows:

	2021 ***QR***	*2020* *QR*
Depreciation expenses	**14,923,202**	17,764,107
Staff cost (accommodation expenses)	**1,042,230**	4,801,484
Operating cost (Note 25)	**2,227,513**	1,905,505
Capital work in progress	**1,552,026**	1,663,845
	19,744,971	26,134,941

Lease liabilities
Set out below are the carrying amounts of lease liabilities and the movements during the year:

	2021 ***QR***	*2020* *QR*
At 1 January	**82,733,638**	117,813,671
Additions during the year	**34,245,907**	7,974,327
Interest on lease liabilities *(Note ii)*	**5,082,660**	4,943,222
Payments during the year	**(23,664,932)**	(21,418,029)
Lease concessions related to COVID 19 *(Note i)*	**(2,957,528)**	(3,670,318)
Derecognised during the year	**(1,937,482)**	(22,909,235)
At 31 December	**93,502,263**	82,733,638

7 LEASES (CONTINUED)

Lease liabilities are presented in the consolidated statement of financial position is as follows:

	2021	*2020*
	QR	*QR*
Current	**11,170,156**	19,089,203
Non-current	**82,332,107**	63,644,435
	93,502,263	82,733,638

Note i
As a consequence of the COVID -19 pandemic, the Group received lease concessions from various landlords related to its certain rented properties during the year. There are no other changes to the terms and conditions of the lease agreements. The Group decided to apply the practical expedient as per IFRS 16 and elected not to assess whether a COVID-19 related lease concession from the landlord is a lease modification. Accordingly, the forgiven lease payments amounted to QR 2,957,528 (2020: QR 3,670,318) for the year ended 31 December 2021 was recognised as a negative variable in the consolidated statement of income.

Note ii
Interest on lease liabilities has been allocated in the consolidated statement of income as follows:

	2021	*2020*
	QR	*QR*
Finance costs	**2,227,712**	1,741,046
Capital work in progress	**1,925,592**	1,778,322
Staff cost (accommodation expenses)	**45,747**	504,711
Operating cost (Note 25)	**883,609**	919,143
	5,082,660	4,943,222

Amounts recognised in the consolidated statement of income is as follows:

	2021	*2020*
	QR	*QR*
Interest on lease liabilities (Note 29)	**3,157,068**	3,164,900
Depreciation of right-of-use assets	**18,192,945**	24,471,096
Income from sub-leasing right-of-use assets presented in “other revenue”	**(11,857,065)**	(10,475,101)
Expenses relating to short-term leases	**11,576,063**	15,152,625
Rent relating to leases of low-value assets, excluding short-term leases of low value assets	**9,936**	18,866
	21,078,947	32,332,386

Amounts recognised in consolidated statement of cash flows is as follows:

	2021	*2020*
	QR	*QR*
Lease principal payment	**18,582,272**	16,474,807
Interest on lease liabilities	**5,082,660**	4,943,222
Total cash out flow for leases	**23,664,932**	21,418,029

7 LEASES (CONTINUED)

Group as lessor

Operating lease
The Group leases out its investment properties. The Group has classified these leases as operating leases, because they do not transfer substantially all of the risks and rewards incidental to the ownership of the assets. The following table sets out a maturity analysis of lease payments, showing the undiscounted lease payments to be received after the reporting date.

Operating leases under IFRS 16

	2021 ***QR***	*2020* *QR*
Less than one year	**81,348,166**	80,184,131
One to two years	**55,350,228**	51,272,846
Two to three years	**34,709,754**	41,919,347
Three to four years	**5,189,752**	24,867,360
Four to five years	**1,875,000**	3,124,820
More than five years	**-**	1,089,000
Total	**178,472,900**	202,457,504

The Group does not have any assets under finance lease.

8 INVESTMENT IN JOINT VENTURES

Name of joint venture	*Country of incorporation*	*Ownership* ***2021***	*Ownership* *2020*	***2021*** ***QR***	*2020* *QR*
4 Homes FZCO L.L.C.	UAE	**70%**	70%	**66,320,269**	61,459,303
Shift Point L.L.C.	State of Qatar	**51%**	51%	**432,690**	439,372
Speedcast Salam L.L.C. *	State of Qatar	**51%**	51%	**460,892**	460,892
				67,213,851	62,359,567

4 Homes FZCO L.L.C.
4 Homes FZCO is registered with Jebel Ali Free Zone Authority (JAFZA) in United Arab Emirates under general trading license number 2854 and its representative office registered under trading License number 130096. The company’s activities are conducted in the United Arab Emirates and other GCC countries through branches and separate entities that are effectively fully owned by the Company. They are maintaining separate trade licenses as per the regulations prevailing locally at each location.

The principal activity of the company as per its commercial license is general trading. The Company is generally trading in ceramics, chinaware, house ware, utensils, cutlery, silverware, household electrical appliances, novelties, decoration materials, partitions, wallpaper and crystal products.

Shift Point L.L.C.
The Company was incorporated in accordance with the provision of the Qatar Commercial Companies Law as a limited liability company and was registered with Ministry of Economy and Commerce of State of Qatar under registration number 62385. The principle activities of the Company are providing ERP systems and consulting services.

Speedcast Salam L.L.C. (Previously known as Harris Salam L.L.C)
Speedcast Salam L.L.C. is a limited liability company registered with the Ministry of Economy and Commerce in the State of Qatar, and operate under commercial registration number 54622 obtained on 5 March 2012. The Company is primary engaged in satellite communications and home station for satellite reception.

On 5 March 2020, the Company has changed its name from Harris Salam L.L.C. to Speedcast Salam L.L.C.

8 INVESTMENT IN JOINT VENTURES (CONTINUED)

The movement in investment in joint ventures during the year are as follows:

	2021 ***QR***	*2020* *QR*
At 1 January	**62,359,567**	61,757,744
Share of results during the year	**10,398,839**	10,304,793
Dividends received during the year	**(5,544,555)**	(9,702,970)
At 31 December	**67,213,851**	62,359,567

Set out below is the summarised financial information of 4 Homes FZCO L.L.C.:

Summarised statement of financial position:

	2021 ***QR***	*2020* *QR*
Non-current assets	**16,595,159**	22,178,766
Current assets	**91,489,377**	85,979,376
Non-current liabilities	**(6,613,209)**	(7,313,045)
Current liabilities	**(13,757,761)**	(19,894,809)
Equity	**87,713,566**	80,950,288
Group’s percentage of ownership	**70%**	70%
Group’s share of equity	**61,399,496**	56,665,202

Group’s share of summarised statement of income:

	2021 ***QR***	*2020* *QR*
Revenue	**133,796,726**	136,933,520
Profit from operations	**14,865,030**	14,735,463
Total comprehensive income	**14,865,030**	14,735,463
Group’s share of profit (loss)	**10,405,521**	10,314,824

Group’s share of commitments and contingent liabilities of joint ventures:

	2021 ***QR***	*2020* *QR*
Letters of guarantees/ letter of credit	**623,762**	143,842

9 INVESTMENT IN ASSOCIATES

Name of associate	*Country of incorporation*	*Ownership*		***2021***	*2020*
		2021	*2020*	***QR***	*QR*
Serene Real Estate S.A.L.	Lebanon	**49.99%**	49.99%	**119,401,537**	123,452,394
Qatar Aluminum Extrusion Company P.Q.S.C	Qatar	**20%**	20%	**16,347,317**	15,022,009
Canon Office Image Solutions W.L.L. *(i)*	Qatar	**51%**	51%	**3,674,826**	3,674,826
Salam Sice Tech Solutions W.L.L. *(i)*	Qatar	**51%**	51%	**5,372,875**	2,371,386
Salam Stores Hugo Boss W.L.L.	Qatar	**30%**	-	**2,533,353**	-
Wikaya Contracting W.L.L. *(ii)*	Qatar	**50%**	50%	**100,000**	100,000
My List FZ L.L.C. *(iii)*	UAE	**-**	50%	**-**	364,170
Mideco Trading and Contracting L.L.C. *(i)*	Qatar	**70%**	70%	**-**	-
Meta Coat W.L.L. *(i)*	Qatar	**51%**	51%	**-**	-
Dutchkid FZCO and Just Kidding General Trading Company	UAE	**50%**	50%	**-**	-
				147,429,908	144,984,785

Notes:

(i) As per the shareholders' agreements and subsequent amendments thereto, the Group does not have either control or joint control over the investee and accordingly treated as associates.

(ii) Operations have not yet started in this entity.

(iii) The Group has sold investment in My list FZ L.L.C. during the year for sale proceeds of QR 437,000 and recognised gain on disposal in the consolidated statement of income amounting to QR 72,830.

The movement in investment in associates during the year is presented as follows:

	2021	*2020*
	QR	*QR*
At 1 January	**144,984,785**	79,300,337
Additions	**3,376,000**	1,200,000
Share of results from associates, net	**2,043,805**	(6,267,141)
Transferred from excess loss	**(30,523)**	**-**
Dividend received	**(2,579,989)**	**-**
Liquidation /disposal	**(364,170)**	(72,674)
Loss absorptions adjusted with current account (a)	**-**	70,824,263
At 31 December	**147,429,908**	144,984,785

(a) Investment in associates increased by QR 70,824,263 in 2020 to reflect the losses absorbed by the Group from the accumulated losses of an associate during last year.

In case where the share of losses from the result of operations of associates exceed the investments, IFRS do not allow the recognition of future losses except when the Group has legal or constructive obligations from investments or has made payments on behalf of investees.

9 INVESTMENT IN ASSOCIATES (CONTINUED)

The following table shows the movement on cumulative share of loss from associates exceeding its investment amounts which were provided against amounts due from related parties:

	Share of losses exceeding investments – 2021			
Associates	***1 January 2021 QR***	***Loss during the year QR***	***Disposal or transfer during the year QR***	***31 December 2021 QR***
Dutchkid FZCO and Just Kidding General Trading Company	**7,364,447**	**1,855,439**	**-**	**9,219,886**
Mideco Trading and Contracting L.L.C.	**6,240,368**	**6,100,000**	**-**	**12,340,368**
Salam Sice Tech Solutions W.L.L.	**30,523**	**-**	**(30,523)**	**-**
Meta Coat W.L.L. (Qatar)	**6,208,255**	**3,747,118**	**-**	**9,955,373**
	19,843,593	**11,702,557**	**(30,523)**	**31,515,627**

	Share of losses exceeding investments - 2020			
Associates	*1 January 2020 QR*	*Loss during the year QR*	*Disposal or transfer during the year QR*	*31 December 2020 QR*
Dutchkid FZCO and Just Kidding	4,156,085	3,554,897	(346,535)	7,364,447
Mideco Trading and Contracting L.L.C.	-	6,240,368	-	6,240,368
Salam Sice Tech Solutions W.L.L.	30,523	-	-	30,523
Soula Systems W.L.L.	2,641,589	-	(2,641,589)	-
Meta Coat W.L.L. (Qatar)	3,014,936	3,193,319	-	6,208,255
	9,843,133	12,988,584	(2,988,124)	19,843,593

10 INVESTMENTS SECURITIES

	2021 QR	*2020 QR*
Non-current investments		
Equity securities – at FVOCI	**108,541,962**	137,979,362

	2021 QR	*2020 QR*
Quoted equity instruments:		
Equity securities – Qatar	**12,863,842**	11,695,883
Equity securities – Jordan	**24,757,603**	22,121,879
Equity securities – UAE	**779,896**	312,275
Equity securities – Bahrain	**119,790**	127,050
	38,521,131	34,257,087
Unquoted equity instruments	**70,020,831**	103,722,275
	108,541,962	137,979,362

10 INVESTMENTS SECURITIES (CONTINUED)

Equity securities designated as at FVOCI
The Group designated the investments shown below as equity securities at FVOCI because these equity securities represent investments that the Group intends to hold for the long term for strategic purposes.

Dividend income received during the year is as follows:

	Fair value at		*Dividend income recognised*	
	2021	*2020*	***2021***	*2020*
	QR	*QR*	***QR***	*QR*
Quoted equity instruments	**38,521,131**	34,257,087	**402,781**	460,999
Unquoted equity instruments	**70,020,831**	103,722,275	**390,014**	112,460
	108,541,962	137,979,362	**792,795**	573,459

Certain investments in quoted and unquoted equity securities were disposed during year, and cumulative loss amounting to QR 2,803,555 was transferred (2020: cumulative gain of QR 1,056,605) within equity relating to these investments.

The movement in equity securities designated as at FVOCI is as follows:

	2021	*2020*
	QR	*QR*
At 1 January	**137,979,362**	168,514,493
Disposals during the year	**(30,776,473)**	(16,731,569)
Movement in fair value during the year	**1,339,073**	(14,888,461)
Additions during the year	**-**	790,200
Transfer from FVTPL	**-**	294,699
At 31 December	**108,541,962**	137,979,362

The movement in fair value reserve during the year is as follows:

	2021	*2020*
	QR	*QR*
At 1 January	**(36,266,401)**	(20,986,023)
Realised loss transferred to accumulated losses	**2,803,555**	(1,056,605)
Effect of change in fair value during the year	**939,741**	(14,223,773)
At 31 December	**(32,523,105)**	(36,266,401)

11 RETENTION

Retention receivables
Retention receivable represents amounts withheld from the Group's issued invoices as maintenance guarantees by the clients. A portion of the retention is released at the completion date of the contract and the remaining portion is released 365 to 490 days afterwards unless otherwise stated in the respective contracts. The amounts withheld are usually 5% to 10% of each invoice.

	2021	*2020*
	QR	*QR*
Retention receivables	**156,911,528**	230,067,586
Less: Allowance for expected credit loss	**(39,286,270)**	(42,457,704)
	117,625,258	187,609,882

11 RETENTION (CONTINUED)

Movement in allowance for impairment of retention receivable is as follows:

	2021	*2020*
	QR	*QR*
At 1 January	**42,457,704**	31,928,638
Reversals during the year	**(3,446,634)**	(417,707)
Transfers	**275,200**	-
Allowance during the year (Note 38)	**-**	10,949,436
Write-offs during the year	**-**	(2,663)
At 31 December	**39,286,270**	42,457,704

Presented in the consolidated statement of financial position as follows:

	2021	*2020*
	QR	*QR*
Current	**59,441,003**	87,991,683
Non-current	**58,184,255**	99,618,199
	117,625,258	187,609,882

Retention payables

Retention payable represents amounts withheld from subcontractors' invoices as maintenance guarantees. A portion of the retention is paid at the completion date of the contract and the remaining portion is paid after 365 to 490 days unless otherwise stated in the respective contracts. The amounts withheld are usually 5% to 10% of each invoice.

	2021	*2020*
	QR	*QR*
Current	**14,753,591**	18,679,420
Non-current	**7,261,067**	10,867,015
	22,014,658	29,546,435

12 OTHER ASSETS

	Current		***Non-current***	
	2021	*2020*	***2021***	*2020*
	QR	*QR*	***QR***	*QR*
Advance payments	**95,409,711**	84,650,907	**73,465,587**	69,768,824
Accrued income	**23,931,110**	21,967,277	**-**	-
Prepayments	**15,358,157**	6,663,916	**7,127,402**	6,515,905
Others	**26,669,172**	22,266,549	**-**	4,078,002
	161,368,150	135,548,649	**80,592,989**	80,362,731

13 INVENTORIES

	2021	*2020*
	QR	*QR*
Goods for resale	**276,714,224**	339,940,090
Goods in transit	**2,637,955**	1,614,074
	279,352,179	341,554,164
Less: provision for slow moving inventories	**(70,955,369)**	(84,667,683)
	208,396,810	256,886,481

13 INVENTORIES (CONTINUED)

Provision for slow moving inventories are determined based on the age, ability to sell and management's historical experience with respect to various items of inventories. The movement in the provision for slow moving inventories were as follows:

	2021	*2020*
	QR	*QR*
At 1 January	**84,667,683**	69,822,971
Provided during the year*	**7,280,359**	30,599,048
Reversals during the year**	**(20,144,562)**	(2,921,234)
Write-offs during the year	**(848,111)**	(12,833,102)
At 31 December	**70,955,369**	84,667,683

*Provision for the year included in the consolidated statement of income is as follows:

	2021	*2020*
	QR	*QR*
Operating cost	**13,471**	23,970,173
General and administrative expense (Note 28)	**7,266,888**	6,628,875
	7,280,359	30,599,048

**The Group has sold these inventories during the year and related provision was reversed. Reversal of provision amounting to QR 20,144,562 (2020: QR 2,921,234) was included in the operating cost due to the utilisation of these inventories during the year.

14 TRADE AND OTHER RECEIVABLES

	2021	*2020*
	QR	*QR*
Trade receivables	**560,754,820**	620,936,641
Note receivables	**11,981,671**	25,857,604
	572,736,491	646,794,245
Less: Allowance for expected credit loss	**(197,749,439)**	(217,955,096)
	374,987,052	428,839,149

Movement in the allowance for expected credit loss is as follows:

	2021	*2020*
	QR	*QR*
At 1 January	**217,955,096**	181,054,774
Allowance during the year (Note 38)	**12,606,264**	51,441,580
Reversals during the year	**(12,009,660)**	(788,729)
Write-offs during the year	**(20,802,261)**	(13,752,529)
At 31 December	**197,749,439**	217,955,096

15 CONTRACT ASSETS AND CONTRACT LIABILITIES

	2021	*2020*
	QR	*QR*
Aggregate amount of costs incurred and recognised profit (less any recognised losses) to the reporting date	**4,755,992,409**	5,339,358,016
Progress billings made to customers to the reporting date	**(4,262,719,215)**	(4,761,769,134)
Contracts-in-progress-gross	**493,273,194**	577,588,882

Presented in the consolidated statement of financial position as follows:

	2021	*2020*
	QR	*QR*
Contract assets	**531,897,363**	611,494,117
Less: Allowance for expected credit loss of contract assets (i)	**(16,458,095)**	(35,006,295)
	515,439,268	576,487,822
Contract liabilities	**(38,624,169)**	(33,905,235)
Contracts-in-progress-net	**476,815,099**	542,582,587

(i) Movement in the allowance for expected credit loss of contract assets as follows:

	2021	*2020*
	QR	*QR*
At 1 January	**35,006,295**	22,654,936
Allowance during the year (Note 38)	**-**	5,451,230
Transfer	**(275,200)**	7,450,992
Reversals during the year	**(4,439,092)**	(550,863)
Write-offs during the year	**(13,833,908)**	-
At 31 December	**16,458,095**	35,006,295

16 CASH AND BANK BALANCES AND OVERDRAFT

Cash and cash equivalents included in the consolidated statement of cash flows comprise the following balances in the statement of financial position:

	2021	*2020*
	QR	*QR*
Cash balances	**2,020,379**	2,332,613
Short term deposits (maturity less than 90 days)	**25,082,854**	118,207,500
Bank balances	**128,319,924**	147,531,258
Cash and bank balances	**155,423,157**	268,071,371
Less: bank overdrafts (i)	**(50,593,729)**	(60,503,406)
Less: margin deposits against guarantees	**(2,354,416)**	(1,281,661)
Cash and cash equivalents	**102,475,012**	206,286,304

(i) Bank overdrafts carried an average interest rates ranging from 4.25% to 4.75% p.a. (2020: 4.25% to 5.00% p.a.).

(ii) Short terms deposits carried and average interest rate ranging from 1.15% to 1.43% p.a.

17 SHARE CAPITAL

	2021	*2020*
	QR	*QR*
Authorised, issued and fully paid up share capital		
(1,143,145,870 shares of nominal value of QR 1 each)	**1,143,145,870**	1,143,145,870

18 LEGAL RESERVE

In accordance with Qatar Commercial Companies Law No.11 of 2015 and the Company's Articles of Association, 10% of the net profit for each year and premium on share issuance by the Company is to be transferred to legal reserve until the reserve equals 50% of the paid up share capital and is not available for distribution except in circumstances specified in the above Law.

19 NON-CONTROLLING INTERESTS

	2021	*2020*
	QR	*QR*
At 1 January	**217,159,058**	232,966,259
Share of profit (loss) for the year	**7,453,570**	(13,462,532)
Share of other comprehensive income (loss) for the year	**399,332**	(664,688)
Acquisition non-controlling interest	**(692,201)**	(1,547,125)
Net movement in non-controlling interests	**(3,514,556)**	(132,856)
At 31 December	**220,805,203**	217,159,058

The financial information of Group's material non-controlling interests are provided below:

Name of subsidiaries	*Country of incorporation*	***2021*** *%*	*2020* *%*
Salam Bounian Development Company P.Q.S.C.	Qatar	**29.19**	29.22

The following table summarises the information relating to Salam Bounian Development Company P.Q.S.C., the Group's subsidiary that has material non-controlling interest:

Summarised consolidated statement of income for the year ended 31 December:

	2021	*2020*
	QR	*QR*
		(Restated)
Operating revenue	**117,669,441**	107,485,388
Operating cost	**(45,154,539)**	(39,527,883)
General and administration expense	**(12,993,324)**	(21,869,083)
Investment income	**390,015**	-
Other income	**4,651,107**	8,769,864
Net gain (loss) from fair value of investment properties	**9,441,357**	(42,360,445)
Finance cost	**(46,032,436)**	(47,138,306)
Share of loss of an associate	**(4,050,856)**	(8,950,224)
Profit for the year	**23,920,765**	(43,590,689)
Total comprehensive income for the year	**25,283,081**	(45,865,526)
Attributable to non-controlling interests	**7,380,131**	(13,401,907)

19 NON-CONTROLLING INTERESTS (CONTINUED)

Summarised consolidated statement of financial position as at 31 December:

	2021	*2020*
	QR	*QR*
Non-current assets	**1,605,127,229**	1,595,776,903
Current assets	**236,044,076**	183,066,119
Non-current liabilities	**(251,935,491)**	(253,137,102)
Current liabilities	**(842,638,553)**	(804,391,740)
Total equity	**746,597,261**	721,314,180

Summarized consolidated statement of cash flows for the year ended 31 December:

	2021	*2020*
	QR	*QR*
Operating activities	**17,103,938**	24,024,367
Investing activities	**(8,579,853)**	(5,036,915)
Financing activities	**(12,970,000)**	(15,671,729)
Net increase in cash and cash equivalents	**(4,445,915)**	3,315,723

20 INTEREST BEARING LOANS AND BORROWINGS

	Current		***Non-current***		***Total***	
	2021	*2020*	***2021***	*2020*	***2021***	*2020*
	QR	*QR*	***QR***	*QR*	***QR***	*QR*
Term loans	**265,833,205**	148,954,403	**1,821,913,147**	1,877,461,092	**2,087,746,352**	2,026,415,495
Loan against trust receipt	**295,067,171**	455,431,383	**-**	-	**295,067,171**	455,431,383
Project finance	**15,226,666**	215,937,608	**-**	-	**15,226,666**	215,937,608
	576,127,042	820,323,394	**1,821,913,147**	1,877,461,092	**2,398,040,189**	2,697,784,486

Terms loans
Term loans represent the following and all these loans are carrying interest rates ranging from 2.90% to 5.25% (2020: 4.51% to 6.25%).

	Maturity	***2021*** ***QR***	*2020* *QR*
Loan 1 (i) *	30 Nov 2040	**1,190,656,236**	1,139,603,951
Loan 2 (ii)*	31 Dec 2030	**343,641,000**	312,355,043
Loan 3 (iii)*	31 May,2038	**205,822,769**	196,822,622
Loan 4 (iv)*	31 Jul, 2022	**143,430,329**	99,347,057
Loan 5 (v)*	01 May,2026	**52,675,674**	51,374,706
Loan 6 (vi)*	31 Mar,2025	**51,011,731**	50,242,281
Loan 7 (vii)*	3 0 Apr, 2027	**32,500,000**	19,299,420
Loan 8 (viii)*	11 Aug,2023	**30,345,828**	43,698,000
Loan 9 (ix)	18 Feb 2023	**16,098,992**	29,355,222
Loan 10 (x)*		**21,563,793**	32,734,835
Loan 11 (ii)		**-**	47,192,198
Loan 12 (xii) **		**-**	4,390,160
		2,087,746,352	2,026,415,495

20 INTEREST BEARING LOANS AND BORROWINGS (CONTINUED)

Notes:

(i) Loan 1 A term loan of QR 1.06 billion was availed as a part of the Groups debt management. The loan is re-payable in 76 quarterly instalments of QR 21.75 million each with a bullet payment of QR 74.15 million in November 2040.

(ii) Loan 2 Two term loans of QR 300 million and QR 100 million were availed as a part of the Group's debt management. During the year, these two existing term loans were consolidated and a term loan of QR 343.64 million was availed. This loan is repayable in 38 quarterly instalments on step up basis with a final instalment of QR 62.82 million in December 2030.

(iii) Loan 3 A term loan of QR 195 million was availed as part of the Groups debt management in. This loan is re-payable in 66 quarterly instalments of QR 4.15 million each with a bullet payment of QR 32.95 million in May 2038.

(iv) Loan 4 A commodity Murabaha of QR 147 million was availed as part of the Groups debt management. This loan is re-payable in 9 monthly instalments of QR 17.50 million each with a final instalment due in July 2022.

(v) Loan 5 A term loan of QR 67 million was obtained to finance refurbishing at The Gate Mall. Principal payment of the loan has a grace period of one year and is re-payable in seven years after the grace period, in monthly instalments of QR 0.97 million each with a bullet payment of QR 13.01 million in May 2026.

(vi) Loan 6 A term loan of QR 50 million was availed to meet working capital requirement. Principal payment of the loan along with interest is repayable in March 2025.

(vii) Loan 7 A term loan of QR 32.50 million was availed as part of the Group's debt management. Principal payment of the loan has a grace period of one year. This loan is re-payable in 20 quarterly instalments of QR 1.63 million each with a final instalment due in April 2027.

(viii) Loan 8 A term loan of QR 47.45 million (USD 13 million) was availed for general corporate purposes. The loan is repayable on a monthly basis with the last instalments due in August 2023.

(ix) Loan 9 A term loan of QR 40.15 million (USD 11 million) was availed for general corporate purposes. This loan is re-payable on monthly basis with a final instalment in February 2023.

(x) Loan 10 Various term loans were availed for general business operations; These term loans are having varying maturities.

* For these loans, the final instalment dates were modified during the year as agreed with the lending banks.

** This loan was fully paid during the year.

Loans against trust receipts
These represent import credit facilities obtained from local and foreign banks, secured by full corporate guarantee of the Group and carry interest rates ranging from 4.15% to 4.75% per annum (2020: 4.25% to 4.75%). Those facilities are short term in nature and, are repayable within one fiscal year from the date of the facility.

Project finances
These represent facilities obtained from local and foreign banks and secured by full corporate guarantee of the Group. These facilities carry interest rates ranging from 4.25% to 5% per annum (2020: 4.25% to 5%) and obtained to finance construction projects and operations of subsidiaries under the contracting, energy and power sectors. Those facilities are short term in nature with original repayment schedule of one to three years in accordance with the project duration.

20 INTEREST BEARING LOANS AND BORROWINGS

Securities
Loan (i) and Loan (iii) are secured over certain investment properties with a fair value of QR 2,042,058,820 (31 December 2020: QR 1,988,593,184). Other loans and borrowings are secured by corporate guarantees of the Company and / or cross corporate guarantees of subsidiaries

Reconciliation of movements of interest-bearing loans and borrowings are as follows:

	2021 QR	*2020 QR*
At 1 January	**2,697,784,486**	2,541,142,154
Net movement in borrowings	**(372,725,869)**	64,656,766
Finance costs* (Note 29)	**109,586,557**	124,863,579
Finance costs paid	**(36,604,985)**	(32,878,013)
At 31 December	**2,398,040,189**	2,697,784,486

* An amount of QR 12,024,140 (2020: QR 15,332,423) has been allocated to operating cost.

21 EMPLOYEES' END OF SERVICE BENEFITS

	2021 QR	*2020 QR*
At 1 January	**61,663,949**	72,703,458
Provided during the year	**10,587,433**	11,798,106
Paid during the year	**(11,828,410)**	(22,837,615)
At 31 December	**60,422,972**	61,663,949

22 OTHER LIABILITIES

	2021 QR	*2020 QR*
Provision for supplier dues	**66,615,052**	71,950,360
Staff dues and incentives	**29,817,360**	39,127,614
Accrued expenses	**25,040,337**	38,800,256
Provision for completed jobs	**18,585,175**	27,035,727
Dividend payable	**15,850,871**	16,076,034
Provision for contribution for social and sports fund (Note 34)	**3,443,928**	-
Other payables	**41,574,599**	35,568,560
	200,927,322	228,558,551

23 TRADE AND OTHER PAYABLES

	2021 QR	*2020 QR*
Trade payables	**192,872,761**	204,762,937
Note payables (i)	**6,569,643**	14,016,759
	199,442,404	218,779,696

23 TRADE AND OTHER PAYABLES (CONTINUED)

(i) Notes payable presented in the consolidated statement of financial position as follows:

	2021 ***QR***	*2020* *QR*
Current	**6,569,643**	14,016,759
Non-current	**1,839,130**	1,083,984
	8,408,773	15,100,743

24 REVENUE FROM CONTRACTS WITH CUSTOMERS

Set out below is the disaggregation of the Group's revenue from contracts with customers:

	2021 ***QR***	*2020* *QR*
Type of revenue		
Contract revenue	**650,283,978**	637,183,933
Revenue from sale of goods	**694,577,969**	625,885,300
Service revenue	**91,716,291**	43,163,254
	1,436,578,238	1,306,232,487
Geographical markets		
State of Qatar	**1,235,599,003**	1,087,280,737
United Arab Emirates	**147,779,398**	162,653,101
Others	**53,199,837**	56,298,649
	1,436,578,238	1,306,232,487
Type of customer		
Third party customers	**1,433,291,950**	1,302,567,826
Related parties (Note 31)	**3,286,288**	3,664,661
	1,436,578,238	1,306,232,487
Timing of revenue recognition		
Goods transferred at a point in time	**694,577,969**	625,885,300
Services transferred over time	**742,000,269**	680,347,187
	1,436,578,238	1,306,232,487

25 OPERATING COST

	2021 ***QR***	*2020* *QR*
Contract costs*	**536,480,889**	556,839,277
Cost of goods sold	**511,057,504**	461,455,912
Cost of service	**63,531,895**	25,610,420
Interest charged to projects (Note 29)	**12,024,140**	15,332,423
Real estate costs	**5,607,512**	6,355,991
Depreciation of property, plant and equipment (Note 3)	**4,007,433**	7,098,270
Depreciation on right-of-use assets (Note 7)	**2,227,513**	1,905,505
Interest on lease liabilities (Note 7)	**883,609**	919,143
	1,135,820,495	1,075,516,941

*This includes depreciation of property, plant and equipment amounted to QR 921,791 (2020: QR 622,085).

26 INVESTMENT INCOME

	2021	*2020*
	QR	*QR*
Interest income	**1,687,344**	1,749,223
Dividend income (Note 10)	**792,795**	573,459
Gain on disposal of investment in an associate	**72,830**	-
Gain on disposal of investments securities	**-**	2,642,895
	2,552,969	4,965,577

27 OTHER OPERATING INCOME

	2021	*2020*
	QR	*QR*
Rent income from sub-lease arrangements	**11,837,065**	10,475,101
Gain on sale of property, plant and equipment	**1,983,259**	906,946
Lease concessions received due to Covid-19	**1,606,435**	3,670,318
Service and consultancy income	**993,667**	804,492
Miscellaneous income	**32,187,265**	49,990,580
	48,607,691	65,847,437

28 GENERAL AND ADMINISTRATIVE EXPENSES

	2021	*2020*
	QR	*QR*
Office, showroom and warehouse rent	**11,585,999**	15,171,491
Repairs and maintenance	**10,816,617**	9,733,348
Legal and registration charges	**8,465,998**	8,469,429
Professional fees	**8,345,177**	7,563,492
Provision for slow moving inventories (Note 13)	**7,266,888**	6,628,875
Marketing-net*	**5,801,624**	2,892,337
Electricity and water	**5,770,450**	3,993,130
Write-offs of inventory	**4,934,579**	3,746,634
Communication	**3,438,247**	3,933,439
Fuel	**2,702,546**	1,924,671
Printing and stationery	**2,180,422**	2,197,587
Insurance	**1,647,925**	2,349,201
Advertising	**1,335,400**	2,009,592
Write-offs of property, plant, and equipment and intangible assets	**984,468**	15,653,397
Entertainment	**839,408**	787,015
Tender fees	**631,703**	1,019,264
Travelling	**518,417**	1,003,999
Transportation	**495,442**	637,270
Business development	**388,454**	285,453
Donations	**321,188**	747,249
Subscription and catalogues	**249,307**	458,625
Meeting and conference	**65,163**	112,729
Others	**6,367,072**	6,785,348
	85,152,494	98,103,575

28 GENERAL AND ADMINISTRATIVE EXPENSES (CONTINUED)

* The details of net marketing expenses are as follows:

	2021 ***QR***	*2020* *QR*
Marketing expenses incurred during the year	**20,444,295**	22,439,592
Contribution granted from suppliers	**(14,642,671)**	(19,547,255)
	5,801,624	2,892,337

29 FINANCE COSTS

	2021 ***QR***	*2020* *QR*
Interest on bank loans and borrowings (Note 20)	**109,586,557**	124,863,579
Interest on lease liabilities (Note 7)	**3,157,068**	3,164,900
Other	**4,818,036**	4,549,113
	117,561,661	132,577,592
Interest on project finance classified under operating cost (Note 25)	**(12,024,140)**	(15,332,423)
Interest on lease liabilities classified under operating cost (Note 25)	**(883,609)**	(919,143)
Interest on lease liabilities classified under staff cost	**(45,747)**	(504,711)
Other interest charges classified under job cost	**-**	(356,319)
	104,608,165	115,464,996

30 INCOME TAX EXPENSE

The Group calculates the period income tax expense using the tax rate that would be applicable to the expected total annual earnings. The major components of income tax expense in the consolidated statement of income are:

	2021 ***QR***	*2020* *QR*
Current income tax expense	**881,012**	248,022
Adjustments in respect of current income tax of previous year	**286,530**	468,699
Income tax expense reported in the consolidated statement of income	**1,167,542**	716,721

Note i:
In December 2019, a new Executive Regulations for the tax was introduced in the State of Qatar, replacing the previous executive regulations. The tax exemption provided under Article 4 (paragraph 13) of the New Tax Law in relation to non-Qatari investors' share in profits in listed entities shall not be extended to subsidiaries/associates of listed entities. The share of profits in non-listed entity attributable to the listed entity would be subject to tax to the extent of the profit share attributable to non-Qatari shareholders in the listed entity.

The Group estimated the income tax expense for the year using the prevailing tax rate of 10% that would be applicable to the profit share attributable to 14.08% of non-Qatari shareholders of the Group.

31 RELATED PARTY DISCLOSURES

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

Related party balances
Balances with related parties included in the consolidated statement of financial position are as follows:

Amounts due from related parties:

	Relationship	***2021*** ***QR***	*2020* *QR*
Serene Real Estate S.A.L.	Associate	**99,009,529**	71,797,389
West Bay Medicare W.L.L.	Affiliate	**77,549,974**	61,129,052
Mideco Trading and Contracting W.L.L.	Associate	**35,467,687**	24,545,775
Meta Coat W.L.L.	Associate	**23,539,152**	20,459,644
Salam Holdings W.L.L.	Affiliate	**14,144,036**	10,708,919
Burhan International Construction Company W.L.L.	Affiliate	**13,943,080**	13,958,080
Qatar Boom Electrical Engineering W.L.L.	Affiliate	**10,640,464**	7,847,670
Technical Field Services	Associate	**4,614,842**	4,614,842
Just Kidding	Associate	**4,516,166**	1,024,414
Soula Systems W.L.L.	Associate	**2,641,589**	3,846,639
Eco Engineering and Energy Solutions L.L.C.	Affiliate	**1,184,191**	937,358
Real Jubail Investment W.L.L.	Affiliate	**479,341**	479,341
Mr. Mohammad Hammoudi	Other related parties	**359,038**	-
Atelier 101	Affiliate	**147,923**	278,369
Mr. Jamal Abu Issa	Other related parties	**127,124**	91,023
Salam Media Cast – Doha	Associate	**89,941**	89,941
Mr. Bassam Abu Issa	Other related parties	**87,548**	287,342
Nasser Bin Khaled & Son Trading Co	Other related parties	**73,875**	132,594
Salam Sice Tec Solutions W.L.L.	Associate	**-**	5,830,363
Al Hussam Holding Company	Affiliate	**-**	521,057
		288,615,500	228,579,812
Allowance for expected credit loss		**(36,543,914)**	(32,554,276)
		252,071,586	196,025,536

Movement in the allowance for expected credit loss of due from related parties is as follows:

	2021 ***QR***	*2020* *QR*
At 1 January	**32,554,276**	28,657,404
Allowance during the year (Note 38)	**751,377**	6,255,283
Transfers	**3,989,638**	2,641,589
Write-offs during the year	**(751,377)**	(5,000,000)
At 31 December	**36,543,914**	32,554,276

31 RELATED PARTY DISCLOSURES (CONTINUED)

Loans to associate companies:

	Relationship	***2021 QR***	*2020 QR*
Dutchkid FZCO and Just Kidding General Trading Company (UAE)	Associate	**20,247,098**	19,485,171
Medico Trading and Contracting W.L.L.	Associate	**3,034,063**	3,034,063
		23,281,161	22,519,234

Amounts due to related parties:

	Relationship	***2021 QR***	*2020 QR*
Salam Sice Tech Solutions W.L.L.	Associate	**1,939,077**	-
Al Hussam Holding W.L.L.	Other related parties	**1,854,905**	-
Shift Point L.L.C.	Joint venture	**1,194,422**	1,235,923
Canon office Imaging W.L.L.	Associate	**119,164**	339,601
Mohammed Hammoudi	Other related parties	**-**	52,000
Al Nooh Wood Industries W.L.L.	Other related parties	**-**	21,949
		5,107,568	1,649,473

Transactions with related parties
Significant transactions with related parties during the year were as follows:

	2021 QR	*2020 QR*
Revenue *(Note 24)*	**3,286,288**	3,664,661
Real-estate income	**24,358,301**	21,282,977
Cost of goods sold	**1,793,070**	4,236,955
Other income	**3,183,909**	2,693,809
Other expenses	**428,665**	314,638

Terms and conditions of transactions with related parties
Transactions with related parties are approved by the management. These transactions were carried out at prices approved by management. Outstanding balances for the year ended 31 December 2021 are unsecured, interest free and the settlement occurs in cash. There have been no guarantees received for any related party receivables balances.

Compensation of key management personnel
The remuneration of directors and other members of key management during the year were as follows:

	2021 QR	*2020 QR*
Salaries and other short-term benefits	**25,125,598**	23,515,203
Executive managers' bonus	**2,600,710**	2,366,625
Long-term benefits	**905,505**	951,361
	28,631,813	26,833,189

32 SUBSIDIARIES

(a) Details of the Group's subsidiaries are as follows:

Name of subsidiary	***Principal activities***	***Ownership interest (%)***	
		2021	*2020*
Salam Technology W.L.L.	Information technology	**100**	100
I Telligent Technologies L.L.C.	Electronic system installation and maintenance	**100**	100
Stream Industrial and Engineering Company W.L.L.	Mechanical services	**100**	100
Qatar German Switchgear Company W.L.L.	Switchgear manufacturing	**100**	100
Salam Petroleum Services W.L.L.	Trading in chemical materials and maintenance of oil equipment	**100**	100
Gulf steel and Engineering W.L.L.	Steel works	**100**	100
International Trading and Contracting Company W.L.L.	Civil contracting	**100**	100
Salam Enterprises Company W.L.L.	Furniture trading and contracting	**100**	100
Salam Industries W.L.L.	Furniture and Interior works	**100**	100
Alu Nasa Company W.L.L. (ii)	Aluminum works	**100**	100
Gulf Industries for Refrigeration and Catering Company W.L.L.	Trading and maintenance of refrigerators, water coolers and air conditioners	**100**	100
Holmsglen Qatar W.L.L. (ii)	Consulting and managerial studies	**98**	98
Qatar Transformers Company W.L.L.	Manufacture of transformers	**100**	100
Salam Hospitality W.L.L.	Restaurants and bakeries management	**100**	100
Salam Bounian Development Company P.Q.S.C. (b)	Real estate	**70.81**	70.78
Gulf Facility Management W.L.L. (ii)	Facility management	**70.81**	70.78
Salam Enterprises L.L.C. (i)	Trading in water equipment	**100**	100
Atelier 21 L.L.C.(i) (b) (KSA)	Interior design	**80**	80
Modern Decoration Company L.L.C.(i)	Furniture and interiors manufacturing	**100**	100
Alu Nasa Aluminium Industry L.L.C. (i)	Aluminium works	**100**	100
Salam Group W.L.L.	Luxury Retail trading - intermediary holding company	**100**	100
Salam Studio and Stores W.L.L. – Doha	Retail and wholesale of luxury consumer products	**100**	100
Salam Studio and Stores L.L.C. – Dubai (i)	Retail and wholesale of luxury consumer products	**100**	100
Salam Studio and Stores W.L.L. – Muscat (iii)	Retail of luxury consumer products	**100**	100
Salam Arabia Trading Establishment – Kuwait (ii)	General trading	**100**	100
Salam Trading Enterprises – Jordan	Luxury Fashion retail	**100**	100
Salam Enterprise Company – Bahrain (iv)	Furniture trading	**80**	80
Salam Amwal Holding S.A.L.	Investments	**100**	100
Salam Globex W.L.L.	Marketing and offices facilities	**100**	100
Prevent and Protect W.L.L. – Qatar	Oil and gas services	**100**	90
Prevent and Protect L.L.C. – Oman	Oil and gas services	**100**	90

32 SUBSIDIARIES (CONTINUED)

(a) Details of the Group's subsidiaries are as follows: (continued)

Name of subsidiary	***Principal activities***	***Ownership interest (%)***	
		2021	*2020*
New Image Building Services Gulf States L.L.C.	Building and facilities management	**70.81**	70.78
Blink Company W.L.L. (ii)	Photography trading and related services	**60**	60
Diversa S.R.L.	Trading in water equipment	**100**	100
Qatar Garden W.L.L.	Construction of soft and hard landscaping and supply of related materials	**100**	100
Al-shamila Eco Studies and Energy Solution W.L.L.	Trading in equipment and rendering	**51**	51
Amjad Company for Manufacture and printing Cardboard W.L.L. (b)	Manufacture of bowls and boxes of cardboard	**100**	100
PC Deal Net W.L.L. (Qatar) (b)	Trading in IT equipment	**100**	100
Cycure Technologies W.L.L. (b)	Information technology services	**76**	76
I Telligent Technologies W.L.L. (b)	Trading in Computer Network and IT Consulting	**100**	100
Atelier 21 L.L.C. (UAE)	Interior design	**100**	100
Salam Security Systems and Services O.P.C	Installation, Operation and maintenance of cameras and security surveillance	**100**	**-**

(i) 99 % of the capital of these Group entities are commercially registered in the name of the Company and 1% is registered in the name of Salam Group W.L.L., an affiliate. The Group beneficiary owned 100% of the subsidiary.

(ii) The operations and activities of these entities are currently on hold.

(iii) 99% of the capital of Salam Studio and Stores W.L.L. – Muscat is commercially registered in the name of the Company and 1% is registered in the name of Salam Studio and Stores W.L.L., a Group entity. The Group beneficially owned the 100% of the entity.

(iv) The capital of these entities is registered in the name of Bahraini national for the beneficial interest of the Group.

(b) Details of the change in Group's subsidiaries are as follows:

Salam Bounian Development Company P.Q.S.C. – Acquisition of non-controlling interest
During the year 2021, the Company purchased additional 17,677 shares in Salam Bounian Development Company P.Q.S.C. and reached Group's ownership to 70.81% from 70.78%. The details of the additional purchase with respective gain from purchase recognised in equity are as follows:

Carrying amount of non-controlling interest acquired	**242,199**
Consideration paid to non-controlling interest acquired	**(114,288)**
An increase in equity attributable to owners of the Company	**127,911**

Salam Security Systems and Services O.P.C – Incorporation of subsidiary
Salam Security Systems was held under Salam Technology W.L.L. as a branch and this was converted to a limited liability company with effect from 1 January 2021 and the ownership transferred to Salam International Investment Limited Q.P.S.C.

33 EARNINGS PER SHARE

Basic earnings per share amounts are calculated by dividing the profit (loss) for the year attributable to owners of the Company by the weighted average number of ordinary shares outstanding at the reporting date.

The basic and diluted earnings per share are the same as there were no dilutive effects on earnings.

	2021 ***QR***	*2020* *QR*
Profit (loss) for the year attributable to Owners of the Company	**51,636,095**	(146,620,154)
Adjusted weighted average number of outstanding shares	**1,143,145,870**	1,143,145,870
Basic and diluted (earning) loss per share	**0.045**	(0.128)

34 CONTRIBUTION TO SOCIAL AND SPORTS FUND

Pursuant to the Qatar Law No. 13 of 2008 and the related clarifications issued in 2010, which is applicable to all Qatari listed shareholding companies with publicly traded equity, the Group has to make an appropriation of 2.5% of its net profit attributable to the owners of the Company as a contribution to social and sports fund. During the year the Group has appropriated QR 4,163,928 to the Social and Sports Development Fund of the State of Qatar representing QR 1,290,902 for the year ended 31 December 2021 and QR 2,873,026 as the outstanding contribution for the year ended 31 December 2009. There are no other outstanding as at 31 December 2021.

35 COMMITMENTS AND CONTINGENT LIABILITIES

	2021 ***QR***	*2020* *QR*
Letters of credit	**58,934,682**	73,307,272
Letters of guarantee	**333,982,759**	482,551,808

36 OPERATING SEGMENTS

For management reporting purpose, the Group is organized in to the following five business segments.

- Contracting
- Energy and industries
- Luxury retail
- Technology
- Real estate and investments (include Head office operations)

These sectors offer different products and services and are managed separately. No operating segments have been aggregated to form these reportable segments. Transactions between segments are conducted at estimated market rates, as approved by management, and are eliminated on consolidation.

36 OPERATING SEGMENTS (CONTINUED)

The following table present revenue and profit information for Group's operating segments for year ended 31 December 2021 and 31 December 2020 respectively:

31 December 2021	*Contracting QR*	*Energy and industries QR*	*Luxury retail QR*	*Technology QR*	*Real estate and investments QR*	*Total QR*
Revenue						
Total revenue	**343,739,763**	**253,565,217**	**593,539,188**	**241,547,939**	**163,136,831**	**1,595,528,938**
Inter-segment	**(3,824,488)**	**(9,839,196)**	**(3,646,705)**	**(4,849,752)**	**(40,133,449)**	**(62,293,590)**
External revenue	**339,915,275**	**243,726,021**	**589,892,483**	**236,698,187**	**123,003,382**	**1,533,235,348**
Gross profit	**68,225,881**	**26,936,720**	**164,263,222**	**50,857,376**	**87,131,654**	**397,414,853**
EBITDA*	**9,797,235**	**2,743,840**	**52,902,039**	**17,761,142**	**168,393,222**	**251,597,478**
Finance cost	**1,365,204**	**4,873,207**	**18,054,838**	**8,680,537**	**84,587,875**	**117,561,661**
Depreciation and amortisation	**8,031,795**	**10,684,779**	**42,628,148**	**1,200,491**	**12,400,939**	**74,946,152**
Share of results of joint ventures	**-**	**-**	**10,405,521**	**-**	**(6,682)**	**10,398,839**
Share of results of associates	**(6,100,000)**	**-**	**(666,647)**	**-**	**(2,892,105)**	**(9,658,752)**
Net fair value gain on investment properties	**-**	**-**	**-**	**-**	**31,557,466**	**31,557,466**
Profit (loss) for the year	**400,236**	**(12,814,146)**	**(7,780,947)**	**7,880,114**	**71,404,408**	**59,089,665**
Capital expenditure						
Tangible assets	**1,482,633**	**5,722,017**	**13,206,776**	**388,075**	**10,792,229**	**31,591,730**
Intangible assets	**48,837**	**-**	**66,837**	**1,435,200**	**27,950**	**1,578,824**
Total	**1,531,470**	**5,722,017**	**13,273,613**	**1,823,275**	**10,820,179**	**33,170,554**

36 OPERATING SEGMENTS (CONTINUED)

31 December 2020	*Contracting* *QR*	*Energy and industries* *QR*	*Luxury retail* *QR*	*Technology* *QR*	*Real estate and investments* *QR*	*Total* *QR*
Revenue						
Total revenue	325,513,005	212,984,823	537,465,853	247,579,593	161,182,732	1,484,726,006
Inter-segment	(16,801,162)	(11,402,040)	(1,293,551)	(8,928,779)	(36,767,497)	(75,193,029)
External revenue	308,711,843	201,582,783	536,172,302	238,650,814	124,415,235	1,409,532,977
Gross profit	46,636,990	10,299,984	152,281,227	33,493,710	91,304,125	334,016,036
EBITDA*	(72,194,064)	1,950,288	19,749,795	5,985,160	134,709,039	90,200,218
Finance cost	1,442,512	5,992,952	23,357,527	14,571,797	87,212,804	132,577,592
Depreciation and amortisation	9,099,490	15,149,371	59,588,041	1,197,280	14,094,080	99,128,256
Share of results of joint ventures	-	-	10,314,824	-	(10,031)	10,304,793
Share of results of associates	(7,674,858)	-	-	-	(11,580,868)	(19,255,726)
Net fair value loss on investment properties	-	-	(550,000)	-	(18,027,056)	(18,577,056)
Profit (loss) for the year	(82,736,066)	(19,192,036)	(63,745,773)	(9,783,916)	15,375,105	(160,082,686)
Capital expenditure						
Tangible assets	1,893,619	4,777,219	4,211,370	141,481	8,579,445	19,603,134
Intangible assets	92,326	-	1,095,459	-	194,575	1,382,360
Total	1,985,945	4,777,219	5,306,829	141,481	8,774,020	20,985,494

*Earnings before interest, tax, depreciation and amortization.

36 OPERATING SEGMENTS (CONTINUED)

The following table present assets and liability information for Group's operating segments as at 31 December 2021 and 31 December 2020 respectively:

31 December 2021	***Contracting QR***	***Energy and industries QR***	***Luxury retail QR***	***Technology QR***	***Real estate and investments QR***	***Total QR***
Segment assets	**307,735,511**	**361,993,034**	**507,906,043**	**534,418,405**	**3,243,715,436**	**4,955,768,429**
Segment liabilities	**228,760,072**	**218,021,475**	**407,152,066**	**246,795,508**	**2,081,021,036**	**3,181,750,157**
Investment in joint ventures	**-**	**-**	**66,320,269**	**460,892**	**432,690**	**67,213,851**
Investment in associates	**-**	**-**	**2,533,353**	**3,744,826**	**141,121,729**	**147,429,908**

31 December 2020	*Contracting QR*	*Energy and industries QR*	*Luxury retail QR*	*Technology QR*	*Real estate and investments QR*	*Total QR*
Segment assets	352,011,525	348,638,755	547,686,411	707,911,665	3,268,762,675	5,225,011,031
Segment Liabilities	261,571,410	240,146,021	523,833,454	424,914,109	2,052,713,729	3,503,178,723
Investment in joint ventures	-	-	61,459,303	460,892	439,372	62,359,567
Investment in associates	-	-	-	3,774,826	141,209,959	144,984,785

37 FAIR VALUES MEASUREMENT

Financial instruments comprise of financial assets and financial liabilities.

The Group has an established control framework with respect to the measurement of fair values.

The Group regularly reviews significant unobservable inputs and valuation adjustments. If third party information, such as broker quotes or pricing services, is used to measure fair values, then the Group assesses the evidence obtained from the third parties to support the conclusion that such valuations meet the requirements of IFRS, including the level in the fair value hierarchy in which such valuations should be classified.

Significant valuation issues are reported to the Group's Audit Committee.

Fair value of financial instruments are not materially different from their carrying values except for investment securities.

Fair value hierarchy
The Group uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities
Level 2: other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly
Level 3: techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data.

As at 31 December, the following table shows an analysis of financial instruments recorded at fair value by level of fair value hierarchy:

At 31 December 2021	***Total QR***	***Level 1 QR***	***Level 2 QR***	***Level 3 QR***
Investment properties	**2,266,079,798**	**-**	**-**	**2,266,079,798**
Quoted equity securities - FVOCI	**38,521,131**	**38,521,131**	**-**	**-**
Unquoted equity securities - FVOCI	**70,020,831**	**-**	**-**	**70,020,831**
At 31 December 2020	*Total QR*	*Level 1 QR*	*Level 2 QR*	*Level 3 QR*
Investment properties	2,230,185,207	-	-	2,230,185,207
Quoted equity securities - FVOCI	34,257,087	34,257,087	-	-
Unquoted equity securities - FVOCI	103,722,275	-	-	103,722,275

There were no transfers between Level 1 and Level 2 fair value measurements, and no transfers into and out of Level 3 fair value measurements during the year ended 31 December 2021 and 31 December 2020.

37 FAIR VALUES MEASUREMENT (CONTINUED)

Fair value hierarchy (continued)

The following table shows the reconciliation of the opening and closing amount of Level 3 investments, which are recorded at fair value:

Investments carried at fair value	***At 1 January 2021 QR***	***Fair value gain (loss) recognised in the consolidated statement of income QR***	***Fair value gain (loss) recognised in the consolidated statement of comprehensive income QR***	***Additions/ (transfers) QR***	***Disposals QR***	***At 31 December 2021 QR***
Investment properties	**2,230,185,207**	**31,557,466**	**-**	**4,337,125**	**-**	**2,266,079,798**
Unquoted equity securities - FVOCI	**103,722,275**	**-**	**(2,924,971)**	**-**	**(30,776,473)**	**70,020,831**
	2,333,907,482	**31,557,466**	**(2,924,971)**	**4,337,125**	**(30,776,473)**	**2,336,100,629**

Investments carried at fair value	*At 1 January 2020 QR*	*Fair value gain (loss) recognised in the consolidated statement of income QR*	*Fair value gain (loss) recognised in the consolidated statement of comprehensive income QR*	*Additions/ (transfers) QR*	*Disposals QR*	*At 31 December 2020 QR*
Investment properties	2,259,863,800	(18,577,056)	-	(11,101,537)	-	2,230,185,207
Unquoted equity securities - FVOCI	133,329,321	-	(12,875,477)	-	(16,731,569)	103,722,275
	2,393,193,121	(18,577,056)	(12,875,477)	(11,101,537)	(16,731,569)	2,333,907,482

38 FINANCIAL RISK MANAGEMENT

Objectives and policies
The Group's principal financial liabilities comprise of interest-bearing loans and borrowings, retention payable, trade and other payables, amounts due to related parties and lease liabilities. The main purpose of these financial liabilities is to raise finance for the Group's operations. The Group has various financial assets such as retention receivables, contract assets, trade receivables, other receivables, amounts due from related parties, loans to associates companies, investment securities and bank balances and cash, which arise directly from its operations.

The main risks arising from the Group's financial instruments are market risk, credit risk, liquidity risk and equity price risk. The management reviews and agrees on policies for managing each of these risks which are summarised below:

Credit risk
Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Group is exposed to credit risk on its retention receivables, contract assets, trade and other receivables, amounts due from related parties, loans to associate companies and bank balances. The Group seeks to limit its credit risk with respect to bank by only dealing with reputed banks and with respect to customers by setting credit limit for individual customers and monitoring on timely basis.

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

Financial assets	***2021*** ***QR***	*2020* *QR*
Loans to associate companies	**23,281,161**	22,519,234
Accrued income	**23,931,110**	21,967,277
Amounts due from related parties	**288,615,500**	228,579,812
Retention receivables	**156,911,528**	230,067,586
Trade and notes receivables	**572,736,491**	646,794,245
Bank balances	**153,402,778**	265,738,758
Contract assets	**531,897,363**	611,494,117
	1,750,775,931	2,027,161,029

Allowance for expected credit loss on financial assets recognised in consolidated statement of income were as follows:

	2021 ***QR***	*2020* *QR*
Allowance for expected credit loss on trade receivables (Note 14)	**12,606,264**	51,441,580
Allowance for expected credit loss on due from related parties (Note 31)	**751,377**	6,255,283
Allowance for expected credit loss on retention receivables (Note 11)	**-**	10,949,436
Allowance for expected credit loss on contract assets (Note 15)	**-**	5,451,230
	13,357,641	74,097,529

The movement in allowance for expected credit loss of financial assets is as follows:

	2021 ***QR***	*2020* *QR*
At 1 January	**327,973,370**	264,295,752
Allowance during the year	**13,357,641**	74,097,529
Transfer during the year	**3,989,638**	10,092,581
Reversal during the year	**(19,895,386)**	(1,757,299)
Write-offs during the year	**(35,387,545)**	(18,755,193)
At 31 December	**290,037,718**	327,973,370

38 FINANCIAL RISK MANAGEMENT (CONTINUED)

Credit risk (continued)
A summary of the Group's exposure to credit risk for financial assets is as follows:

Expected credit loss assessment
The Group uses an allowance matrix to measure the ECLs of financial assets.

Loss rates are calculated using a 'roll rate' method based on the probability of a receivable progressing through successive stages of delinquency to write-off. Roll rates are calculated separately for exposures in different segments based on the following common credit risk characteristics – geographic region, age of customer relationship and type of product purchased.

The following table provides information about the exposure to credit risk and ECLs for receivables:

31 December 2021	***Gross carrying amount QR***	***Weighted average loss rate QR***	***Loss allowance QR***
Current	**146,078,537**	**6.60%**	**9,634,909**
1-60 days	**175,291,651**	**21.55%**	**37,772,406**
61-120 days	**44,100,653**	**33.79%**	**14,901,611**
121-365 days	**876,392,748**	**9.13%**	**80,003,169**
365-730 days	**121,503,522**	**35.64%**	**43,307,906**
More than 730 days	**186,793,771**	**55.90%**	**104,417,717**
	1,550,160,882		**290,037,718**

31 December 2020	*Gross carrying amount QR*	*Weighted average loss rate QR*	*Loss allowance QR*
Current	239,179,797	6.60%	15,785,867
1-60 days	167,654,841	19.24%	32,254,383
61-120 days	23,516,055	33.80%	7,948,427
121-365 days	920,203,289	11.55%	106,279,107
365-730 days	159,301,325	23.19%	36,944,975
More than 730 days	207,080,453	62.18%	128,760,612
	1,716,935,760		327,973,371

Loss rates are based on actual credit loss experience over the past three years and adjusted for forward looking factors. These rates are multiplied by scalar factors to reflect differences between economic conditions during the period over which the historical data has been collected, current conditions and the Group's view of economic conditions over the expected lives of the receivables.

Forward looking factors are based on the actual and forecast macro-economic factors (primarily GDP).

Cash and bank balances
The Group held cash and bank balances of QR 155,423,157 at 31 December 2021 (2020: QR 268,071,371). The bank balances are held with bank and financial institution counterparties, which are rated A1 to A2 based on by Moody Rating Agency ratings.

Impairment on cash and bank balances has been measured on a 12-month expected loss basis and reflects the short maturities of the exposures. The Group considers that its cash and cash equivalents have low credit risk based on the external credit ratings of the counterparties.

38 FINANCIAL RISK MANAGEMENT (CONTINUED)

Credit risk (continued)

Guarantees
The Group's policy is to provide financial guarantees only for liabilities relating to certain subsidiaries. At 31 December 2021, the Company has issued a guarantee to certain banks in respect of credit facilities granted to its subsidiaries.

Liquidity risk
Liquidity risk is the risk that the Group will not be able to meet financial obligations as they fall due. The Group's approach to managing liquidity risk is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation. The Group limits its liquidity risk by ensuring banks facilities are available. Group's terms of sales require amounts to be paid within 30-90 days of the date of bill.

The table below summarises the maturity of the Group's financial liabilities at 31 December, based on contractual undiscounted payments.

Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

31 December 2021	***Less than 1 year QR***	***1 to 5 years QR***	***Above 5 years QR***	***Total QR***
Interest bearing loans and borrowings	**328,109,137**	**861,793,041**	**1,874,934,986**	**3,064,837,164**
Retention payables	**14,753,591**	**7,261,067**	**-**	**22,014,658**
Other liabilities excluding provisions	**182,342,147**	**-**	**-**	**182,342,147**
Amounts due to related parties	**5,107,568**	**-**	**-**	**5,107,568**
Bank overdrafts	**50,593,729**	**-**	**-**	**50,593,729**
Notes payable	**6,569,643**	**1,839,130**	**-**	**8,408,773**
Trade and other payables	**192,872,761**	**-**	**-**	**192,872,761**
Lease liabilities	**17,253,875**	**53,813,362**	**63,723,838**	**134,791,075**
	797,602,451	**924,706,600**	**1,938,658,824**	**3,660,967,875**

31 December 2020	*Less than 1 year QR*	*1 to 5 years QR*	*Above 5 years QR*	*Total QR*
Interest bearing loans and borrowings	432,533,633	1,085,108,034	1,565,867,655	3,083,509,322
Retention payables	18,679,420	10,867,015	-	29,546,435
Other liabilities excluding provisions	201,522,824	-	-	201,522,824
Amounts due to related parties	1,649,473	-	-	1,649,473
Bank overdrafts	60,503,406	-	-	60,503,406
Notes payable	14,016,759	1,083,984	-	15,100,743
Trade and other payables	204,762,937	-	-	204,762,937
Lease liabilities	20,988,183	36,884,670	55,510,006	113,382,859
	954,656,635	1,133,943,703	1,621,377,661	3,709,977,999

Market risk
The main risks arising from the Group's financial instruments are market risk, credit risk and liquidity risk. Market risk is the risk that changes in market prices, such as interest rates and foreign currency exchange rates that will affect the Group's income or the value of the holdings of financial instruments. Management reviews and agrees policies for managing each of these risks which are summarised below:

38 FINANCIAL RISK MANAGEMENT (CONTINUED)

Market risk (continued)

Equity price risk
The Group is subject to equity price risk in relation to equity securities at FVOCI. The Group evaluates the current market value and other factors including normal volatility in share price for quoted equities and other relevant factors such as investment manager's periodical reports relating to unquoted equities in order to manage its market risk.

Sensitivity analysis
A 10% increase in market values of the Group's quoted portfolio of equity securities at FVOCI is expected to result in an increase in the asset and equity by QR 3,852,113 (2020: QR 3,425,709) and a 10% decrease in market values of the Group's quoted portfolio of equity securities at FVOCI are expected to result in a decrease of the asset and equity by QR 3,852,113 (2020: QR 3,425,709).

Interest rate risk
Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market interest rates. The Group 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.

Fair value sensitivity analysis for fixed-rate instruments
The Group does not account for any fixed-rate financial assets or financial liabilities at FVTPL. Therefore, a change in interest rates at the reporting date would not affect consolidated statement of income.

Cash flow sensitivity analysis for variable-rate instruments
The following table demonstrates the sensitivity of the Group's profit to reasonably possible changes in interest rates, with all other variables held constant. The sensitivity of the profit is the effect of the assumed changes in interest rate on the Group's profit (loss) for one year, based on the floating rate financial assets and financial liabilities held at 31 December 2021.

	Profit (loss) ***31 December 2021***		*Profit (loss)* *31 December 2020*	
	50 bps Increase	***50 bps Decrease***	*50 bps Increase*	*50 bps Decrease*
Variable rate financial liabilities	**(11,698,731)**	**11,698,731**	(12,723,795)	12,673,795

Foreign Currency risk
Currency risk is the risk that the value of financial instruments will fluctuate due to changes in foreign exchange rates. The Group's functional currency and significant foreign currency transactions are denominated in currencies pegged with United States Dollar ("USD"). Therefore, the management is of the opinion that the Group's exposure to currency risk is minimal.

The fair values of financial instruments, with the exceptions of investment at FVOCI, carried at cost are not materially different from their carrying values.

39 KEY SOURCES OF ESTIMATION UNCERTAINTY

Use of estimates
The preparation of consolidated financial statements in conformity with International Financial Reporting Standards requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Although these estimates are based on management's best knowledge of current events and actions, actual results may ultimately differ from those estimates.

The estimates and underlying assumptions are reviewed regularly. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future.

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Group based its assumptions and estimates on parameters available when the separate financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

Useful lives of property, plant and equipment and intangible assets
The Group's management determines the estimated useful lives of its property, plant and equipment for calculating the depreciation. This estimate is determined upon a consideration of the expected usage of the asset, physical wear and tear and technical or commercial obsolescence.

Classification of property
The Group classifies property held for future long-term capital appreciation (including those with undetermined use) or leases as Investment properties, measured at the fair value model. Fair value is determined by independent appraisals at the end of each reporting period.

Valuation of investment properties
The fair values are based on market values, being the estimated amount for which a property could be exchanged on the date of the valuation between a willing buyer and a willing seller in an arm’s length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion.

Subsequent to initial recognition, the Group’s investment properties are stated at fair value, which reflects market condition at the reporting date. In order to assess the fair value of investment properties, the management assess the need for internal or external valuer based on the size, location and complexity involved in valuing the property. If the expertise is available in-house, the group uses internal valuer to fair value the investment properties.

Revenue from contract with customers
The Group applied the following judgements that significantly affect the determination of the amount and timing of revenue from contracts with customers:

Satisfaction of Performance Obligations under IFRS 15 Revenue from Contract with Customers
The Group is required to assess each of its contracts with customers to determine whether performance obligations are satisfied over time or at a point in time in order to determine the appropriate method of recognising revenue. For sale of goods, revenue is recognised by the Group at a point in time when the control is transferred to the customer. For rendered services through development of factories, tiling of floors and walls with tiles or marble or any other materials to customers are recognised when services are transferred over time.

Allowance for impairment of trade receivables and contract assets
As per IFRS 9 “Financial Instruments”, an ‘expected credit loss’ (ECL) impairment model requires forward looking information, which is based on assumptions for the future movement of different economic drivers and how these drivers will affect each other. It also requires management to assign probability of default to various categories of receivables. Probability of default constitutes a key input in measuring an ECL and entails considerable judgement; it is an estimate of the likelihood of default over a given time horizon, the calculation of which includes historical data, assumptions and expectations of future conditions.

39 KEY SOURCES OF ESTIMATION UNCERTAINTY (CONTINUED)

Use of estimates (continued)

Allowance for impairment of trade receivables and contract assets (continued)
At the reporting date, the gross amount of financial assets (trade receivable, retention receivable, amounts due from related parties and contract assets) were QR 1,550,160,882 (31 December 2020: QR 1,716,935,760), with allowance for expected credit loss amounting to QR 290,037,718 (31 December 2020: QR 327,973,371). Any difference between the amounts actually collected in future periods and the amounts expected will be recognised in the consolidated statement of income.

Provision for slow moving inventories
Inventories are held at the lower of cost and net realisable value. When inventories become old or obsolete, an estimate is made of their net realisable value. For individually significant amounts this estimation is performed on an individual basis. Amounts which are not individually significant, but which are old or obsolete, are assessed collectively and a provision applied according to the inventory type and the degree of ageing or obsolescence, based on anticipated selling prices.

At the reporting date, gross inventories were QR 279,352,179 (31 December 2020: QR 341,554,164) with provision for slow moving inventories amounted to QR 70,955,369 (31 December 2020: QR 84,667,683). Any difference between the amounts actually realised in future periods and the amounts expected will be recognised in the consolidated statement of income.

Determining the lease term of contracts with renewal and termination options – Group as lessee
The Group determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The Group has several lease contracts that include extension and termination options. The Group applies judgement in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination. After the commencement date, the Group reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew or to terminate (e.g., construction of significant leasehold improvements or significant customisation to the leased asset).

The Group included the renewal period as part of the lease term for leases of plant and machinery with shorter non-cancellable period (i.e., three to five years). The Group typically exercises its option to renew for these leases because there will be a significant negative effect on production if a replacement asset is not readily available. The renewal periods for leases of plant and machinery with longer non-cancellable periods (i.e., 10 to 15 years) are not included as part of the lease term as these are not reasonably certain to be exercised. In addition, the renewal options for leases of motor vehicles are not included as part of the lease term because the Group typically leases motor vehicles for not more than five years and, hence, is not exercising any renewal options. Furthermore, the periods covered by termination options are included as part of the lease term only when they are reasonably certain not to be exercised.

Leases - Estimating the incremental borrowing rate
The Group cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate (IBR) to measure lease liabilities. The IBR is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Group ‘would have to pay’, which requires estimation when no observable rates are available (such as for subsidiaries that do not enter into financing transactions) or when they need to be adjusted to reflect the terms and conditions of the lease (for example, when leases are not in the subsidiary’s functional currency). The Group estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates (such as the subsidiary’s stand-alone credit rating).

39 KEY SOURCES OF ESTIMATION UNCERTAINTY (CONTINUED)

Use of estimates (continued)

Impairment of non-financial assets
Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs of disposing of the asset. The value in use calculation is based on a DCF model. The cash flows are derived from the budget for the next five years and do not include restructuring activities that the Group is not yet committed to or significant future investments that will enhance the performance of the assets of the CGU being tested. The recoverable amount is sensitive to the discount rate used for the DCF model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes. These estimates are most relevant to goodwill and other intangibles with indefinite useful lives recognised by the Group.

Goodwill impairment testing
The Group determines whether goodwill is impaired at least on an annual basis. This requires an estimation of the recoverable amount of the CGU to which goodwill is allocated. Details of the key assumptions used in the estimation of the recoverable amounts are disclosed in Note 5.

Taxes
Uncertainties exist with respect to the interpretation of complex tax regulations, changes in tax laws, and the amount and timing of future taxable income. The Company establishes provisions, based on reasonable estimates, for possible consequences of audits by the tax authorities of the respective country in which it operates. The amount of such provisions is based on various factors, such as differing interpretations of tax regulations by the taxable entity and the responsible tax authority. Such differences of interpretation may arise on a wide variety of issues depending on the conditions prevailing in the respective country of operations.

Going concern
The Group's management has made an assessment of the Group's ability to continue as a going concern and is satisfied that the Group has the resources to continue in business for the foreseeable future. Management is not aware of any material uncertainties that may cast significant doubt upon the Group's ability to continue as a going concern and therefore the consolidated financial statements continue to be prepared on a going concern basis.

40 COVID-19 IMPACT

In March 2020, the World Health Organization declared COVID-19 a global pandemic. While COVID-19 is a health crisis, it has caused socioeconomic disruption on a global scale. More countries have imposed travel bans on millions of people, and more people in more locations are placed with quarantine measures. The extent and duration of such impacts remain uncertain and dependent on future developments that cannot be accurately predicted at this time, such as the transmission rate of the coronavirus, the extent and effectiveness of containment actions taken, including the deployment of COVID-19 vaccines.

The Group is carefully monitoring the evolving situation around the spreading of COVID-19 and the volatility in the oil and gas prices and its impact on the business. The Group has considered the potential impact on the presented financial and non-financial assets due to the current economic volatility. These are considered to represent management best estimates based on the available or observable information. As the crisis evolves and the market conditions are unpredictable, the recorded amounts remain sensitive to the market fluctuations.

The outbreak of COVID-19 has had an impact on the demand for oil and petroleum products. Recent global developments have caused further volatility in commodity markets. The Group has considered the impact of COVID-19 and the volatility in the oil prices and its impact on the business when preparing the consolidated financial statements and related note disclosures.

40 COVID-19 IMPACT (CONTINUED)

For the year ended 31 December 2021, the Group has received rent concessions from landlord. As discussed in Note 7, the Group has elected to apply the practical expedient introduced by the amendments to IFRS 16 to all rent concessions that satisfy the criteria. The application of the practical expedient has resulted in the reduction of total lease liabilities of QR 2,957,528 for the year ended 31 December 2021. The effect of this reduction has been recorded in consolidated profit or loss in the period in which the event or condition that triggers those payments occurs.

Considering the Group's net current assets of QR 519,145,292 and QR 155,423,157 total cash position, the management is satisfied that the Group has sufficient liquidity to meet its current liabilities and working capital requirements.

Accordingly, the management has concluded there to be no material uncertainties that may cast significant doubt on the Group's ability to continue to operate as a going concern.

The impact of COVID-19 on the recoverability of receivables from customers have been considered. While the methodologies applied in the base expected credit loss calculations remain unchanged from those applied in the prior year financial year, the assumptions used for the expected credit loss calculation ("ECL") as at 31 December 2021 were updated by the Group to reflect the economic uncertainties resulted due to the COVID-19. The Group has adjusted the forward-looking macro-economic factors and probability weights assigned to economic scenarios for ECL determination to reflect the economic uncertainties. Given the level of uncertainty and the sensitivity of judgments and estimates, the assumptions will be reassessed if adverse conditions continue.

The Group has considered the potential impact on the presented non-financial assets due to the current economic volatility.

The Group conducts an annual impairment review of goodwill as outlined in Note 5. While the ongoing economic uncertainty from the COVID-19 global pandemic has impacted the cash flow forecasts and estimate and assumptions inherent in the goodwill impairment test, the results of the annual impairment test determined the goodwill allocated to the cash-generating units (CGUs) is recoverable and no impairment as of 31 December 2021.

Further, the management has assessed whether there is an indication that other non-financial assets may be impaired as at 31 December 2021. However, no indications were noted. As the crisis evolves and the market conditions are unpredictable, the recorded amounts remain sensitive to market fluctuations.