

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

**Consolidated financial statements**

**31 December 2022**

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

**Consolidated financial statements**

**As at and for the year ended 31 December 2022**

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## Independent auditors' report

### To the Shareholders of Salam International Investment Limited Q.P.S.C.

#### Opinion

We have audited the consolidated financial statements of Salam International Investment Limited Q.P.S.C. and its subsidiaries (together the "Group"), which comprise the consolidated statement of financial position as at 31 December 2022, the consolidated statements of profit or loss, comprehensive income, changes in equity and cash flows for the year then ended, and notes, comprising significant accounting policies and other explanatory information.

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 2022, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with IFRS Standards as issued by the International Accounting Standards Board (IFRS Standards).

#### 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 *Auditors' Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants 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.





## Independent auditors' report (continued)

### Key Audit Matter

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 period. 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.

### Valuation of Investment Properties

See Note 12 to the consolidated financial statements.

The key audit matter	How the matter was addressed in our audit
<p>We focused on this area because of the following reasons:</p> <ul style="list-style-type: none"><li>▪ The fair value of Group's investment properties as at 31 December 2022 amounted to QR 2,370,885,601 (2021: QR 2,266,079,798), which represents 51% (2021: 48%) of the Group's total assets, hence a material portion of the consolidated statement of financial position as at 31 December 2022.</li><li>▪ Valuation of investment properties involves the use of significant judgements and estimates.</li></ul>	<p>Our audit procedures in this area included, among other things:</p> <ul style="list-style-type: none"><li>▪ Evaluating design and implementation and operating effectiveness of key controls over the methods, assumptions and data used in estimation of the fair value of the investment properties</li><li>▪ Evaluating the external valuer's competence, capabilities and objectivity;</li><li>▪ Inspecting the valuation reports and assessing whether any matters identified in them have a potential impact on the amounts recorded and / or the disclosures in the consolidated financial statements;</li><li>▪ Agreeing the property information in the valuation reports to the underlying property records held by the Group;</li><li>▪ Involving our own valuation specialist to assist us in the following matters;<ul style="list-style-type: none"><li>- assessing the consistency of the valuation basis and appropriateness of the methodology used, based on generally accepted valuation practices;</li><li>- evaluating the appropriateness of the assumptions applied to key inputs such as discount rate, terminal growth rate, expected net cash flows and comparable market rate which included comparing these inputs with externally derived data as well as our own assessments based on our knowledge of the Group and industry.</li></ul></li><li>▪ Evaluating the adequacy of the financial statement disclosures including disclosures of key assumptions, judgements and sensitivities</li></ul>





## Independent auditors' report (continued)

### Emphasis of Matter - Comparative Information

We draw attention to Note 40 to the consolidated financial statements which indicates that the comparative information presented as at and for the year ended 31 December 2021 has been restated. Our opinion is not modified in respect of this matter.

### Other Matter Relating to Comparative Information

The consolidated financial statements of the Group as at and for the years ended 31 December 2021 and 31 December 2020 (from which the consolidated statement of financial position as at 1 January 2021 has been derived), excluding the adjustments described in Note 40 to the consolidated financial statements were audited by another auditor who expressed an unmodified opinion on those consolidated financial statements on 20 February 2022.

As part of our audit of the consolidated financial statements as at and for the year ended 31 December 2022, we audited the adjustments described in Note 40 that were applied to restate the comparative information presented as at and for the year ended 31 December 2021 and the statement of financial position as at 1 January 2021. We were not engaged to audit, review, or apply any procedures to the consolidated financial statements for the years ended 31 December 2021 or 31 December 2020 (not presented herein) or to the statement of financial position as at 1 January 2021, other than with respect to the adjustments described in Note 40 to the consolidated financial statements. Accordingly, we do not express an opinion or any other form of assurance on those respective consolidated financial statements taken as a whole. However, in our opinion, the adjustments described in Note 40 are appropriate and have been properly applied.

### Other Information

The Board of Directors is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the consolidated financial statements and our auditors' report thereon. Prior to the date of this auditors' report, we obtained the report of the Board of Directors which forms part of the Annual Report, and the remaining sections of the Annual Report are expected to be made available to us after that date.

Our opinion on the consolidated financial statements does not cover the other information and we do not and will 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 identified above 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, on the other information that we have obtained prior to the date of this auditors' report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### Responsibilities of Board of Directors for the Consolidated Financial Statements

The Board of Directors is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS Standards, and for such internal control as the Board of Directors 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, the Board of Directors 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 the Board of Directors either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.





## Independent auditors' report (continued)

### Auditors' 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 auditors' 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 judgement and maintain professional scepticism 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 the Board of Directors.
- Conclude on the appropriateness of the Board of Directors' 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 auditors' 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 auditors' 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 the 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 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.

From the matters communicated with the 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 auditors' 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.





## Independent auditors' report (continued)

### Report on Other Legal Requirements

As required by the Qatar Commercial Companies Law No. 11 of 2015, whose certain provisions were subsequently amended by Law No. 8 of 2021 ("amended QCCL"), we also report that:

- i) We have obtained all the information and explanations we considered necessary for the purposes of our audit.
- ii) The Company has maintained proper accounting records and its consolidated financial statements are in agreement therewith.
- iii) We have read the report of the Board of Directors to be included in the Annual Report, and the financial information contained therein is in agreement with the books and records of the Company.
- iv) Furthermore, the physical count of the Company's inventories was carried out in accordance with established principles.
- v) We are not aware of any violations of the applicable provisions of the amended QCCL or the terms of the Company's Articles of Association having occurred during the year which might have had a material effect on the Company's consolidated financial position or performance as at and for the year ended 31 December 2022.



12 February 2023  
Doha  
State of Qatar

Yacoub Hobeika  
KPMG  
Qatar Auditor's Registry Number 289  
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**Salam International Investment Limited Q.P.S.C.**

**Consolidated statement of financial position**

**As at 31 December 2022**

In Qatari Riyals

	Note	31 December 2022	31 December 2021 * Restated	1 January 2021 * Restated
<b>Assets</b>				
Property and equipment	9	284,326,849	284,012,396	316,918,707
Right-of-use assets	10 (l)	78,637,376	81,415,593	73,846,163
Intangible assets and goodwill	11	73,976,632	91,571,829	93,277,392
Investment properties	12	2,370,885,601	2,266,079,798	2,230,185,207
Equity-accounted investees	13	212,683,483	214,643,759	207,344,352
Investment securities	14	87,099,465	108,541,962	137,979,362
Retention receivables	15 (l)	43,259,430	58,184,255	99,618,199
Loan to associate companies	18 (b)	23,842,487	23,281,161	22,519,234
Other assets	16	11,272,372	80,592,989	80,362,731
<b>Non-current assets</b>		<b>3,185,983,695</b>	<b>3,208,323,742</b>	<b>3,262,051,347</b>
Inventories	17	281,468,399	208,396,810	256,886,481
Due from related parties	18 (d)	246,625,945	217,815,106	175,010,752
Retention receivables	15 (l)	45,930,427	59,441,003	87,991,683
Contract assets	19	137,318,369	356,770,306	404,119,762
Trade and other receivables	20	504,983,295	374,987,052	428,839,149
Other assets	16	144,262,766	157,304,291	131,890,361
Cash and cash equivalents	21	92,810,183	155,423,157	268,071,371
<b>Current assets</b>		<b>1,453,399,384</b>	<b>1,530,137,725</b>	<b>1,752,809,559</b>
<b>Total assets</b>		<b>4,639,383,079</b>	<b>4,738,461,467</b>	<b>5,014,860,906</b>



The notes on pages 14 to 88 are an integral part of these consolidated financial statements.



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

Consolidated statement of financial position (Continued)

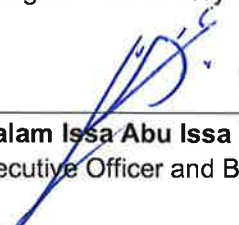
As at 31 December 2022

In Qatari Riyals

	Note	31 December 2022	31 December 2021 * Restated	1 January 2021 * Restated
<b>Equity</b>				
Share capital	22	1,143,145,870	1,143,145,870	1,143,145,870
Legal reserve	23	477,675,924	471,652,650	466,489,040
Fair value reserve		(36,661,963)	(32,523,105)	(36,266,401)
Accumulated losses		(161,840,172)	(214,782,176)	(264,571,359)
<b>Equity attributable to owners of the Company</b>		<b>1,422,319,659</b>	<b>1,367,493,239</b>	<b>1,308,797,150</b>
Non-controlling interests	24	246,922,663	220,805,203	217,159,058
<b>Total equity</b>		<b>1,669,242,322</b>	<b>1,588,298,442</b>	<b>1,525,956,208</b>
<b>Liabilities</b>				
Borrowings	25	1,811,237,584	1,821,913,147	1,877,461,092
Lease liabilities	10 (II)	67,895,323	68,382,930	54,909,900
Employees' end of service benefits	26	56,164,592	60,422,972	61,663,949
Retention payables	15 (II)	3,729,541	7,261,067	10,867,015
Trade and other payables	28	1,100,000	1,839,130	1,083,984
<b>Non-current liabilities</b>		<b>1,940,127,040</b>	<b>1,959,819,246</b>	<b>2,005,985,940</b>
Due to related parties	18 (e)	1,424,632	5,107,568	1,649,473
Bank overdrafts	21	80,096,311	50,593,729	60,503,406
Borrowings	25	475,771,739	576,127,042	820,323,394
Lease liabilities	10 (II)	11,218,289	10,867,318	18,700,952
Retention payables	15 (II)	11,487,375	14,753,591	18,679,420
Advances from customers		77,233,260	111,235,753	86,969,870
Contract liabilities	19	30,217,564	51,215,352	42,039,717
Other liabilities	27	135,290,130	171,001,022	215,272,830
Trade and other payables	28	207,274,417	199,442,404	218,779,696
<b>Current liabilities</b>		<b>1,030,013,717</b>	<b>1,190,343,779</b>	<b>1,482,918,758</b>
<b>Total liabilities</b>		<b>2,970,140,757</b>	<b>3,150,163,025</b>	<b>3,488,904,698</b>
<b>Total equity and liabilities</b>		<b>4,639,383,079</b>	<b>4,738,461,467</b>	<b>5,014,860,906</b>

\* The comparative information is restated on account of correction of errors. See Note 40.

These consolidated financial statements were approved by the Board of Directors and signed on its behalf by the following on 12 February 2023:

  
Abdul Salam Issa Abu Issa  
Chief Executive Officer and Board Member



  
Hekmat Abdel Fattah Younis  
Chief Financial Officer

The notes on pages 14 to 88 are an integral part of these consolidated financial statement



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

**Consolidated statement of profit or loss**

**As at 31 December 2022**

In Qatari Riyals

	Note	2022	2021 * Restated
Revenue from contract with customers		1,480,117,690	1,445,820,636
Real estate revenue		111,119,339	108,494,175
Revenue	29	<b>1,591,237,029</b>	1,554,314,811
Operating cost	30	(1,150,365,798)	(1,137,305,596)
<b>Gross profit</b>		<b>440,871,231</b>	417,009,215
Other income	31	45,865,123	36,843,456
General and administrative expenses	30	(323,253,847)	(319,196,853)
Impairment of goodwill	30	(15,178,083)	-
Allowance for impairment of financial assets and contract assets	39 C (I)	(30,604,353)	(10,724,112)
Net fair value gain on investment properties	12	56,503,813	31,557,466
<b>Operating profit</b>		<b>174,203,884</b>	155,489,172
Finance cost		(116,572,281)	(105,557,778)
Finance income		8,218,048	8,039,439
<b>Net finance cost</b>	32	<b>(108,354,233)</b>	(97,518,339)
Share of profit of equity accounted investees, net of tax	13	16,091,238	12,442,644
<b>Profit before tax</b>		<b>81,940,889</b>	70,413,477
Income tax expense	33	(1,467,314)	(1,167,542)
<b>Profit for the year</b>		<b>80,473,575</b>	69,245,935
<b>Profit attributable to:</b>			
Owners of the Company		60,232,742	61,792,365
Non-controlling interests	24	20,240,833	7,453,570
<b>Profit for the year</b>		<b>80,473,575</b>	69,245,935
<b>Earnings per share</b>			
Basic and diluted earnings per share	35	<b>0.053</b>	0.054



The notes on pages 14 to 88 are an integral part of these consolidated financial statements.

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

**Consolidated statement of comprehensive income  
For the year ended 31 December 2022**

In Qatari Riyals

	<b>2022</b>	2021 * Restated
<b>Profit for the year</b>	<b>80,473,575</b>	69,245,935
<b>Other comprehensive income:</b>		
<i>Item that will not be reclassified to profit or loss:</i>		
Equity investments at FVOCI – net change in fair value	14 (3,946,689)	1,339,073
<b>Other comprehensive income for the year</b>	<b>(3,946,689)</b>	<b>1,339,073</b>
<b>Total comprehensive income for the year</b>	<b>76,526,886</b>	<b>70,585,008</b>
<b>Total comprehensive income attributable to:</b>		
Owners of the Company	56,093,884	62,732,106
Non-controlling interests	20,433,002	7,852,902
<b>Total comprehensive income for the year</b>	<b>76,526,886</b>	<b>70,585,008</b>



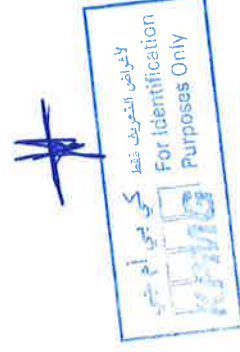
The notes on pages 14 to 88 are an integral part of these consolidated financial statements.

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

Consolidated statement of changes in equity  
For the year ended 31 December 2022

In Qatari Riyals

	Attributable to owners of the Company					Non-controlling interests	Total	Total equity
	Share capital	Legal reserve	Fair value reserve	Accumulated losses	Total			
Balance at 1 January 2022 (Restated)	1,143,145,870	471,652,650	(32,523,105)	(214,782,176)	1,367,493,239	220,805,203	1,588,298,442	
Profit for the year	-	-	-	60,232,742	60,232,742	20,240,833	80,473,575	
Other comprehensive income for the year	-	-	(4,138,858)	-	(4,138,858)	192,169	(3,946,689)	
<b>Total comprehensive income for the year</b>	-	-	(4,138,858)	60,232,742	56,093,884	20,433,002	76,526,886	
<i>Transactions with owners of the Company</i>								
Net movement in non-controlling interests	-	-	-	-	-	(272,783)	(272,783)	
Acquisition of non-controlling interests without a change in control (Note 34 (c))	-	-	-	238,354	238,354	(816,314)	(577,960)	
Absorption of losses attributable to non-controlling interests	-	-	-	-	-	6,773,555	6,773,555	
Total transactions with owners of the Company	-	-	-	238,354	238,354	5,684,458	5,922,812	
Transfer to legal reserve	-	6,023,274	-	(6,023,274)	-	-	-	
Transfer to social and sports development fund (Note 36)	-	-	-	(1,505,818)	(1,505,818)	-	(1,505,818)	
	-	6,023,274	-	(7,529,092)	(1,505,818)	-	(1,505,818)	
<b>Balance at 31 December 2022</b>	<b>1,143,145,870</b>	<b>477,675,924</b>	<b>(36,661,963)</b>	<b>(161,840,172)</b>	<b>1,422,319,659</b>	<b>246,922,663</b>	<b>1,669,242,322</b>	



The notes on pages 14 to 88 are an integral part of these consolidated financial statements.

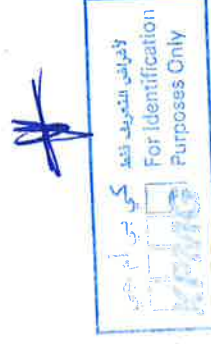
Salam International Investment Limited Q.P.S.C.

Consolidated statement of changes in equity  
For the year ended 31 December 2022

In Qatari Riyals

*Attributable to owners of the Company*

	Share capital	Legal reserve	Fair value reserve	Accumulated losses	Total	Non-controlling interests	Total equity
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
Impact of correction of errors (Note 40)	-	-	-	(195,876,100)	(195,876,100)	-	(195,876,100)
Restated balances at 1 January 2021	1,143,145,870	466,489,040	(36,266,401)	(264,571,359)	1,308,797,150	217,159,058	1,525,956,208
Profit for the year (Restated)	-	-	-	61,792,365	61,792,365	7,453,570	69,245,935
Other comprehensive income for the year	-	-	939,741	-	939,741	399,332	1,339,073
Total comprehensive income for the year	-	-	939,741	61,792,365	62,732,106	7,852,902	70,585,008
<i>Transactions with owners of the Company</i>							
Net movement in non-controlling interests	-	-	-	-	-	(3,514,556)	(3,514,556)
Acquisition of non-controlling interests without a change in control	-	-	-	127,911	127,911	(692,201)	(564,290)
Reclassification of net change in fair value of equity securities (FVOCI) upon derecognition	-	-	2,803,555	(2,803,555)	-	-	-
Total transactions with owners of the Company	-	-	2,803,555	(2,675,644)	127,911	(4,206,757)	(4,078,846)
Transfer to legal reserve	-	5,163,610	-	(5,163,610)	-	-	-
Transfer to social and sports development fund (Note 36)	-	-	-	(4,163,928)	(4,163,928)	-	(4,163,928)
Restated balance at 31 December 2021	1,143,145,870	471,652,650	(32,523,105)	(214,782,176)	1,367,493,239	220,805,203	1,588,298,442



The notes on pages 14 to 88 are an integral part of these consolidated financial statements.

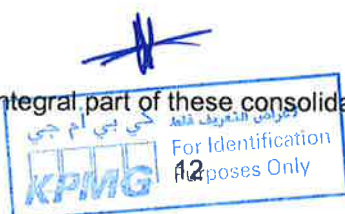
**Salam International Investment Limited Q.P.S.C.**

**Consolidated statement of cash flows  
For the year ended 31 December 2022**

In Qatari Riyals

	Note	2022	2021
			* Restated
<b>Cash flows from operating activities</b>			
Profit before tax		81,940,889	70,413,477
<i>Adjustments for:</i>			
- Depreciation of property and equipment	9	62,012,640	53,433,839
- Write-offs of property and equipment and intangible assets	9 & 11	31,626	984,468
- Amortization of intangible assets	11	3,812,537	3,319,368
- Depreciation on right-of-use assets	10 (I)	15,080,952	19,415,181
- Net gain on fair valuation of investment properties	12	(56,503,813)	(31,557,466)
- Gain on disposal of investment properties	31	(3,792,150)	-
- Gain on disposal of investment in equity-accounted investees	31	(3,554,108)	(72,830)
- Goodwill written off	11	15,178,083	-
- Provision / (reversal) for slow moving inventories	17	10,211,228	(12,864,203)
- Allowance for impairment of financial assets and contract assets.	39 C (I)	30,604,353	10,724,112
- Provision for employees' end of service benefits	26	8,466,019	10,587,433
- Profit on disposal of property and equipment	31	(495,705)	(1,983,259)
- Finance costs	25	125,645,772	118,824,434
- Interest income	32	(7,688,980)	(7,246,644)
- Dividend income	32	(529,068)	(792,795)
- Lease concession received	31	(2,920,158)	(1,606,436)
- Gain on derecognition of right-of-use assets and lease liabilities	31	(214,658)	(88,118)
- Share of results from equity-accounted investees	13	(16,091,238)	(12,442,644)
- Inventory write-off	30	-	4,934,579
		261,194,221	223,982,496
Changes in:			
- Inventories		(83,282,817)	56,419,295
- Other assets		12,650,926	(25,644,189)
- Due from related parties		(30,378,726)	(55,227,762)
- Retention receivables		28,310,402	73,431,258
- Contract assets		224,070,729	51,788,548
- Trade and other receivables		(144,282,304)	53,255,493
- Due to related parties		(23,072,482)	3,458,095
- Retention payables		(6,797,742)	(7,531,777)
- Advances from customers		(34,002,493)	24,265,883
- Contract liabilities		(20,997,788)	9,175,632
- Trade and other payables		6,766,319	(18,582,146)
- Other liabilities		(32,551,729)	(49,200,769)
Cash generated from operating activities		157,626,516	339,590,057
Employees' end of service benefits paid	26	(12,798,265)	(11,828,410)
Income tax paid		(267,590)	(402,507)
<b>Net cash from operating activities</b>		<b>144,560,661</b>	<b>327,359,140</b>

The notes on pages 14 to 88 are an integral part of these consolidated financial statements.





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

Consolidated statement of cash flows (continued)  
For the year ended 31 December 2022

In Qatari Riyals

	Note	2022	2021
			* Restated
<b>Cash flows from investing activities</b>			
Acquisition of property and equipment	9	(41,786,854)	(25,128,079)
Proceeds from disposal of property and equipment	9	2,141,264	5,564,361
Acquisition of investment properties	12	-	(4,337,125)
Proceeds from sale of investment securities	14	17,495,809	30,776,473
Proceeds from disposal of investment properties	12	18,415,912	-
Acquisitions of investment in equity-accounted investees	13	(528,000)	(3,376,000)
Cash received from business acquisition	34	64,395	-
Proceeds from disposal of equity-accounted investees	13	4,015,000	437,000
Acquisitions of intangible assets	11	(34,521)	(1,578,824)
Dividends received from equity-accounted investees	13	18,118,623	8,124,544
Dividends received	32	529,068	792,795
Interest received		152,881	925,416
<b>Net cash from investing activities</b>		<b>18,583,577</b>	<b>12,200,561</b>
<b>Cash flows from financing activities</b>			
Proceeds from borrowings	25	403,141,478	373,654,859
Repayment of borrowings	25	(558,843,386)	(746,380,728)
Net movement in margin deposits against guarantees		(402,999)	(1,072,755)
Acquisition of non-controlling interests	34	(577,960)	(564,290)
Net movement in non-controlling interests	24	(272,783)	(3,514,556)
Payment of lease liabilities	10 (II)	(9,304,555)	(16,615,617)
Finance costs paid	25	(89,402,588)	(48,877,906)
<b>Net cash used in financing activities</b>		<b>(255,662,793)</b>	<b>(443,370,993)</b>
<b>Net decrease in cash and cash equivalents</b>		<b>(92,518,555)</b>	<b>(103,811,292)</b>
Cash and cash equivalents at 1 January		102,475,012	206,286,304
<b>Cash and cash equivalents at 31 December</b>	21	<b>9,956,457</b>	<b>102,475,012</b>



The notes on pages 14 to 88 are an integral part of these consolidated financial statements.



## **1 Reporting entity**

Salam International Investment Limited Q.P.S.C. (the "Company" or "SIIL") 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 PO Box 15224, Doha, State of Qatar. The commercial registration number of the Company is 20363. The shares of the Company are listed on Qatar Stock Exchange.

These consolidated financial statements as at and for the year ended 31 December 2022 comprise the Company and its subsidiaries (together referred to as the "Group").

The primary activities of the Group are to establish, incorporate, acquire, and own enterprises in the contracting, energy and industry, consumer and luxury products, technology, real estate, and development sectors, and to invest in securities in local and overseas market. There were no changes to the primary activities compared to the comparative period.

There is no ultimate parent and controlling party for the Company as the shares of the Company are owned by multiple shareholders.

## **2 Basis of accounting**

These consolidated financial statements have been prepared in accordance with IFRS Standards as issued by the International Accounting Standards Board (IFRS Standards). They were authorised for issue by the Company's board of directors on 12 February 2023.

Details of the Group's accounting policies, including changes thereto, are included in Note 7

## **3 Functional and presentation currency**

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

## **4 Basis of measurement**

These consolidated financial statements have been prepared under historical cost basis except for the equity securities at FVOCI and investment properties which are measured on fair value basis on reporting date.

## **5 Use of judgement and estimates**

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

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

Information about critical estimates and judgments in applying accounting policies that have the most significant effect on the amounts recognised in the consolidated financial statements are as follows.

### *Revenue from contract with customers*

The Group makes judgments in determining the performance obligations that exist in contracts with customers. Judgments are also applied in determining timing of transfer of control at a point in time or over time, cost to complete and percentage of completion. Where the standalone selling price is applicable, management uses estimates to determine it based on the cost plus mark-up depending on the nature of goods and services to be provided to different customers.

## 5 Use of judgement and estimates (continued)

### *Impairment of inventories*

Inventories are held at the lower of cost and net realizable value less cost to sale. When inventories become old or obsolete, an estimate is made of their net realizable 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 historical selling prices.

### *Impairment of non-financial assets (other than inventories)*

The carrying amounts of the Group's non-financial assets other than goodwill (Property and equipment, right-of-use assets and equity accounted investees) are reviewed at each reporting date to determine whether there is any indication of impairment. That assessment requires judgement. Goodwill is tested annually for impairment. The determination of recoverable amounts of non-financial assets (the higher of their fair values less costs of disposal and their "value in use") requires management to make significant judgments, estimations and assumptions. In particular the assessment of "value in use" requires management to estimate expected future cash flows from an asset or a cash generating unit and also to choose an appropriate discount rate to discount those cash flows to present value.

### *Useful lives, residual values and related depreciation charges of property and equipment and right-of-use assets*

The Group's management determines the estimated useful lives of its property and equipment and right-of-use assets for calculating depreciation. This estimate is determined after considering the expected usage of the asset or physical wear and tear. Management reviews the residual value and useful lives annually and future depreciation charge would be adjusted where the management believes the useful lives differ from previous estimates.

### *Provision for expected credit losses of financial assets and contract assets*

The Company uses a provision matrix to calculate ECLs for its financial assets and contract assets. The provision rates for trade receivables and accrued income are based on days past due for the group of various customer segments that have similar loss patterns (i.e., customer type and coverage by letters of credit and other forms of credit insurance). The provision matrix is initially based on the Company's historical observed default rates. The Company will calibrate the matrix to adjust the historical credit loss experience with forward-looking information. For instance, if forecast economic conditions (i.e., gross domestic product) are expected to deteriorate over the next year which can lead to an increased number of defaults, the historical default rates are adjusted. At each reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

### *Valuation of lease liabilities and right-of-use assets*

The application of IFRS 16 requires the Group to make judgements and estimates that affect the valuation of the lease liabilities and right-of-use assets. These include determining the contracts in scope of IFRS 16, determining the contract term and the finance cost rate used for discounting of future cash flows.

The lease term determine by the Group comprises the non-cancellable period of lease contracts, periods covered by an option to extend the lease if the Group is certain to exercise that option and periods covered by an option to terminate the lease if the Group is reasonably certain not to exercise that option.

The present value of the lease payments are determined using the discount rate representing the rate of finance cost swap applicable for currency of the lease contract and for similar tenor, corrected by the average credit spread of entities with rating similar to the Group's rating, observed in the period when the lease contract commences or is modified.

## **Measurement of fair values**

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

## 5 Use of judgement and estimates (continued)

### Measurement of fair values (continued)

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

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

Significant valuation issues are reported to the Group's audit committee

When measuring the fair value of an asset or a liability, the Group uses observable market data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows.

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

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

The Group recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

Further information about the assumption made in measuring fair values is included in the following notes:

- Note 12 – Investment properties
- Note 39 – Investment securities

## 6 Changes in significant accounting policies

### ***New standards, amendments, and interpretations effective for annual reporting period beginning on 1 January 2022.***

The Group adopted below amended IFRS ("IFRS" or "standards") that are effective for the annual reporting period beginning on 1 January 2022:

Effective date	New standards or amendments
1 April 2021	Covid-19-Related Rent Concessions beyond 30 June 2021 Amendment to IFRS 16
1 January 2022	<ul style="list-style-type: none"> <li>• Onerous Contracts – Cost of Fulfilling a Contract (Amendments to IAS 37)</li> <li>• Annual Improvements to IFRS Standards 2018-2020</li> <li>• Property, Plant and Equipment: Proceeds before Intended Use (Amendments to IAS 16)</li> <li>• Reference to the Conceptual Framework (Amendments to IFRS 3)</li> </ul>

The adoption of above new standards and amendments to standards had no significant impact on these consolidated financial statements.

**Notes to the consolidated financial statements**  
**As at and for year ended 31 December 2022**

**6 Changes in significant accounting policies (continued)**

***New standards, amendments and interpretations to standards not yet effective, but available for early adoption.***

The below new and amended IFRS Standards ("IFRS" or "standards") that are available for early adoption for financial years beginning on or after 1 January 2022 have not been applied in preparing these consolidated financial statements.

<b>Effective date</b>	<b>New standards or amendments</b>
1 January 2023	<ul style="list-style-type: none"> <li>• Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2)</li> <li>• Definition of Accounting Estimates (Amendments to IAS 8)</li> <li>• IFRS 17 Insurance Contracts and amendments to IFRS 17 Insurance Contracts</li> <li>• Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12)</li> </ul>
1 January 2024	<ul style="list-style-type: none"> <li>• Classification of Liabilities as Current or Non-current (Amendments to IAS 1)</li> <li>• Lease Liability in a Sale and Leaseback (Amendments to IFRS 16)</li> </ul>
Available for optional adoption/effective date deferred indefinitely	<ul style="list-style-type: none"> <li>• Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to IFRS 10 and IAS 28)</li> </ul>

Management does not expect that the adoption of the above new and amended standards will have a significant impact on these consolidated financial statements.

**7 Significant accounting policies**

The Group has consistently applied the following accounting policies to all periods presented in these consolidated financial statements, except if mentioned otherwise:

**a) Basis of consolidation**

**i) Business combinations**

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

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

Any contingent consideration is measured at fair value at the date of acquisition. If an obligation to pay contingent consideration that meets the definition of a financial instrument is classified as equity, then it is not remeasured and settlement is accounted for within equity. Otherwise, other contingent consideration is remeasured at fair value at each reporting date and subsequent changes in the fair value of the contingent consideration are recognised in profit or loss.

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

**7 Significant accounting policies (continued)**

**a) Basis of consolidation (continued)**

**ii) Subsidiaries**

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

Details of changes in Group's subsidiaries are disclosed in Note 34.

**iii) Non-controlling interests**

Non-controlling interests are measured at their proportionate share of the acquiree's identifiable net assets at the date of acquisition.

Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

Details of changes in Group's interest in subsidiaries are disclosed in Note 34.

**iv) Loss of control**

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

**v) Interests in equity-accounted investees**

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

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

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

**vi) Transactions eliminated on consolidation**

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

**Notes to the consolidated financial statements**  
**As at and for year ended 31 December 2022**

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**7 Significant accounting policies (continued)**

**b) Foreign currency**

**i) Foreign currency transactions**

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

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

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

- an investment in equity securities designated at FVOCI
- a financial liability designated as a hedge of the net investment in a foreign operation to the extent that the hedge is effective; and
- qualifying cash flow hedges to the extent that the hedges are effective.

**ii) Foreign operations**

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on acquisition, are translated into functional currency at the exchange rates at the reporting date. The income and expenses of foreign operations are translated into functional currency at the exchange rates at the dates of the transactions.

Foreign currency differences are recognised in OCI and accumulated in the translation reserve, except to the extent that the translation difference is allocated to NCI.

When a foreign operation is disposed of in its entirety or partially such that control, significant influence or joint control is lost, the cumulative amount in translation reserve related to that foreign operation is reclassified to profit or loss as part of the gain or loss on disposal. If the Group disposes of part of its interest in a subsidiary but retains control, then the relevant proportion of the cumulative amount is reattributed to NCI. When the Group disposes of only part of an associate or joint ventures while retaining significant influence or joint control, the relevant proportion of the cumulative amount is reclassified to profit or loss.

**c) Revenue from contracts with customers**

Revenue is measured based on the consideration specified in a contract with a customer. The Group recognises revenue when it transfers control over a good or service to a customer.

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.

**Notes to the consolidated financial statements**  
**As at and for year ended 31 December 2022**

**7 Significant accounting policies (continued)**

**c) Revenue from contracts with customers (continued)**

Type of revenue	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 profit or loss 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.



**Notes to the consolidated financial statements**  
**As at and for year ended 31 December 2022**

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**7 Significant accounting policies (continued)**

**c) Revenue from contracts with customers (continued)**

**Rental income**

Rental income is recognised as revenue on a straight-line basis over the term of the lease. Lease incentives granted are recognised as an integral part of the total rental income, over the term of the lease. Rental income from investment property is included as part of other income in the separate statement of profit or loss and other comprehensive income.

**d) Finance income and finance costs**

The Group's finance income and finance costs include:

- interest income;
- interest expense;
- dividend income;
- the foreign currency gain or loss on financial assets and financial liabilities;

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

The 'effective interest rate' is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to:

- the gross carrying amount of the financial asset; or
- the amortised cost of the financial liability.

In calculating interest income and expense, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired) or to the amortised cost of the liability. However, for financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortised cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.

**e) Property and equipment**

*Recognition and measurement*

Items of property and equipment are measured at cost, which includes capitalised borrowing costs, less accumulated depreciation and any accumulated impairment losses.

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

Any gain or loss on disposal of an item of property and equipment is recognised in profit or loss.

*Subsequent expenditure*

Subsequent expenditure is capitalized only if it is probable that future economic benefits associated with the expenditure will flow to the Group.

*Depreciation*

Depreciation is calculated to write off the cost of items of property and equipment less their estimated residual values using the straight-line method over their estimated useful lives, and is generally recognised in consolidated statement of profit or loss. Land is not depreciated.

Notes to the consolidated financial statements  
As at and for year ended 31 December 2022

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**7 Significant accounting policies (continued)**

**e) Property and equipment (continued)**

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

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

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

*Capital work in progress*

Capital work in progress represents projects in the course of construction for the purposes of use in future. Capital work in progress is carried at cost, less any recognized impairment loss. Upon completion these projects will be transferred to property and equipment

**f) Intangible assets and goodwill**

Recognition and measurement

*Goodwill*

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

*Research and development*

Expenditure on research activities is recognised in consolidated statement of profit or loss as incurred.

Development expenditure is capitalised only if the expenditure can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable and the Group intends to and has sufficient resources to complete development and to use or sell the asset. Otherwise, it is recognised in profit or loss as incurred. Subsequent to initial recognition, development expenditure is measured at cost less accumulated amortisation and any accumulated impairment losses.

*Other intangible assets*

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

*Subsequent expenditure*

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

*Amortisation*

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

The estimated useful lives for current and comparative periods are as follows:

Development cost	5 years
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Amortisation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

## 7 Significant accounting policies (continued)

### g) Investment property

Investment property is initially measured at cost and subsequently at fair value with any change therein recognised in profit or loss.

Any gain or loss on disposal of investment property (calculated as the difference between the net proceeds from disposal and the carrying amount of the item) is recognised in profit or loss. When investment property that was previously classified as property and equipment is sold, any related amount included in the revaluation reserve is transferred to retained earnings.

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

### h) Inventories

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

### i) Cash and cash equivalents

Cash and cash equivalents in the statement of financial position comprise cash at banks and in hand and short-term deposits with a maturity of three months or less.

For the purpose of the consolidated statement of cash flows, cash and cash equivalents consist of cash and short-term deposits as defined above, net of any outstanding bank overdrafts.

### j) Financial instruments

#### i) Recognition and initial measurement

Trade receivables are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Group becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

#### ii) Classification and subsequent measurement

##### *Financial assets*

On initial recognition, a financial asset is classified as measured at: amortised cost; FVOCI – debt investment; FVOCI – equity investment; or FVTPL.

Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and;
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

**7 Significant accounting policies (continued)**

**j) Financial instruments (continued)**

**ii) Classification and subsequent measurement (continued)**

*Financial assets (continued)*

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the Group may irrevocably elect to present subsequent changes in the investment's fair value in OCI. This election is made on an investment-by-investment basis.

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. On initial recognition, the Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

*Financial assets – Business model assessment*

The Group makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

- the stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realising cash flows through the sale of the assets;
- how the performance of the portfolio is evaluated and reported to the Group's management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- how managers of the business are compensated – e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the Group's continuing recognition of the assets.

Financial assets that are held for trading or are managed and whose performance is evaluated on a fair value basis are measured at FVTPL.

*Financial assets – Assessment whether contractual cash flows are solely payments of principal and interest*

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

**7 Significant accounting policies (continued)**

**j) Financial instruments (continued)**

**ii) Classification and subsequent measurement (continued)**

*Financial assets – Assessment whether contractual cash flows are solely payments of principal and interest (continued)*

In assessing whether the contractual cash flows are solely payments of principal and interest, the Group considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Group considers:

- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable-rate features;
- prepayment and extension features; and
- terms that limit the Group's claim to cash flows from specified assets (e.g. non-recourse features).

A prepayment feature is consistent with the solely payments of principal and interest criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable additional compensation for early termination of the contract. Additionally, for a financial asset acquired at a discount or premium to its contractual par amount, a feature that permits or requires prepayment at an amount that substantially represents the contractual par amount plus accrued (but unpaid) contractual interest (which may also include reasonable additional compensation for early termination) is treated as consistent with this criterion if the fair value of the prepayment feature is insignificant at initial recognition.

*Financial assets – Subsequent measurement and gains and losses*

Financial assets at FVTPL	These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.
Financial assets at amortised cost	These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.
Equity investments at FVOCI	These assets are subsequently measured at fair value. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are never reclassified to profit or loss.

*Financial liabilities – Classification, subsequent measurement and gains and losses*

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

**7 Significant accounting policies (continued)**

**j) Financial instruments (continued)**

**iii) Derecognition**

*Financial assets*

The Group derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Group neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

The Group enters into transactions whereby it transfers assets recognised in its consolidated statement of financial position, but retains either all or substantially all of the risks and rewards of the transferred assets. In these cases, the transferred assets are not derecognised.

*Financial liabilities*

The Group derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire. The Group also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in profit or loss.

**iv) Offsetting**

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

**k) Impairment**

***Non-derivative financial assets***

*Financial instruments and contract assets*

The Group recognises loss allowances for ECLs on:

- financial assets measured at amortised cost; and
- contract assets.

The Group also recognises loss allowances for ECLs on lease receivables, which are disclosed as part of trade and other receivables.

The Group measures loss allowances at an amount equal to lifetime ECLs, except for the following, which are measured at 12-month ECLs:

- debt securities that are determined to have low credit risk at the reporting date; and
- other debt securities and bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

Impairment allowances for trade receivables (including lease receivables) and contract assets are always measured at an amount equal to lifetime ECLs.

**7 Significant accounting policies (continued)**

**k) Impairment (continued)**

***Non-derivative financial assets (continued)***

*Financial instruments and contract assets (continued)*

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment and including forward-looking information.

The Group assumes that the credit risk on a financial asset has increased significantly if it is more than 90 days past due. The Group considers a financial asset to be in default when the borrower is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realising security (if any is held), or the financial asset is more than 730 days past due.

Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument.

12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.

*Measurement of ECLs*

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Group expects to receive).

ECLs are discounted at the effective interest rate of the financial asset.

*Credit-impaired financial assets*

At each reporting date, the Group assesses whether financial assets carried at amortised cost are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default or being more than 730 days past due;
- the restructuring of a loan or advance by the Group on terms that the Group would not consider otherwise;
- it is probable that the borrower will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for a security because of financial difficulties.

*Presentation of allowance for ECL in the consolidated statement of financial position*

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.



**7 Significant accounting policies (continued)**

**(k) Impairment (continued)**

***Non-derivative financial assets (continued)***

*Write-off*

The gross carrying amount of a financial asset is written off when the Group has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. The Group individually makes an assessment with respect to the timing and amount of write-off based on whether there is a reasonable expectation of recovery. The Group expects no significant recovery from the amount written off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's procedures for recovery of amounts due.

***Non-financial assets***

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

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

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU.

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

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

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

**(l) Employees' end of service benefits**

The Group provides end of service benefits to its expatriate employees in accordance with Qatar labour law. The entitlement to these benefits is based upon the employees' final salary and length of service, subject to the completion of minimum service period. The expected costs of these benefits are accrued over the period of employment.

With respect to its national employees, the Group makes contributions to the General Pension Fund Authority calculated as a percentage of the employees' salaries. The Group's obligations are limited to these contributions, which are expensed when due.

**(m) Provision**

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

**7 Significant accounting policies (continued)**

**(n) Income tax**

Income tax comprises the expected tax payable on the taxable profit for the year, adjusted for any corrections to the tax payable of previous years. It is calculated on the basis of the tax laws enacted (Income Tax Law No. 24 of 2018 and Ministerial Decision No. 39 of 2019) or substantively enacted at the reporting date in the State of Qatar. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation.

If applicable tax regulation is subject to interpretation and there is uncertainty over a treatment chosen by the Company that it is not probable that the tax authority will accept, it establishes a provision where appropriate on the basis of amounts expected to be paid to the tax authorities. Provisions made in respect of uncertain tax positions are re-assessed whenever circumstances change or there is new information that affects the previous judgements and estimates.

Deferred tax is recognised in respect of temporary differences arising between the carrying amounts of assets and liabilities reported in the financial statements and their respective amounts used for tax purposes. Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled using tax rates based on tax laws that have been enacted (Income Tax Law No. 24 of 2018) or substantially enacted by the reporting date in the State of Qatar.

**(o) Leases**

At the inception of a contract, the Group assess whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group uses the definition of a lease in IFRS 16.

**i. As a lessee**

At commencement or on modification of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices. However, for the leases of property the Group has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Group by the end of the lease term or the cost of the right-of-use asset reflects that the Group will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate.

The Group determines its incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and type of the asset leased.

**7 Significant accounting policies (continued)**

**(o) Leases (continued)**

**i. As a lessee (continued)**

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee; and
- the exercise price under a purchase option that the Group is reasonably certain to exercise, lease payments in an optional renewal period if the Group is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Group is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, if the Group changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero. Right-of-use assets that meet the definition of investment property are presented within investment property.

**Short-term leases and leases of low-value assets**

The Group has elected not to recognise right-of-use assets and lease liabilities for leases of low-value assets and short-term leases, including IT equipment. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

**ii. As a lessor**

At inception or on modification of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of their relative stand-alone prices.

When the Group acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease.

To classify each lease, the Group makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease. As part of this assessment, the Group considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

When the Group is an intermediate lessor, it accounts for its interests in the head lease and the sub-lease separately. It assesses the lease classification of a sub-lease with reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset. If a head lease is a short-term lease to which the Group applies the exemption described above, then it classifies the sub-lease as an operating lease.

If an arrangement contains lease and non-lease components, then the Group applies IFRS 15 to allocate the consideration in the contract.

The Group applies the derecognition and impairment requirements in IFRS 9 to the net investment in the lease. The Group further regularly reviews estimated unguaranteed residual values used in calculating the gross investment in the lease.

The Group recognises lease payments received under operating leases as income on a straight-line basis over the lease term as part of 'other revenue'.

**7 Significant accounting policies (continued)**

**p) Operating profit**

Operating profit is the result generated from the continuing principal revenue-producing activities of the Group as well as other income and expenses related to operating activities. Operating profit excludes net finance costs, share of profit of equity-accounted investees and income taxes.

**q) Fair value measurement**

Fair value' is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal or, in its absence, the most advantageous market to which the Group has access at that date. The fair value of a liability reflects its non-performance risk.

A number of the Group's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities (see Note 5).

When one is available, the Group measures the fair value of an instrument using the quoted price in an active market for that instrument. A market is regarded as 'active' if transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

If there is no quoted price in an active market, then the Group uses valuation techniques that maximise the use of relevant observable inputs and minimise the use of unobservable inputs. The chosen valuation technique incorporates all of the factors that market participants would take into account in pricing a transaction.

If an asset or a liability measured at fair value has a bid price and an ask price, then the Group measures assets and long positions at a bid price and liabilities and short positions at an ask price.

The best evidence of the fair value of a financial instrument on initial recognition is normally the transaction price – i.e. the fair value of the consideration given or received. If the Group determines that the fair value on initial recognition differs from the transaction price and the fair value is evidenced neither by a quoted price in an active market for an identical asset or liability nor based on a valuation technique for which any unobservable inputs are judged to be insignificant in relation to the measurement, then the financial instrument is initially measured at fair value, adjusted to defer the difference between the fair value on initial recognition and the transaction price. Subsequently, that difference is recognised in profit or loss on an appropriate basis over the life of the instrument but no later than when the valuation is wholly supported by observable market data or the transaction is closed out.

**8. Financial risk and capital management**

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

- Credit risk;
- Liquidity risk; and
- Market risk;

**Risk management framework**

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

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

**8. Financial risk and capital management (continued)**

**Risk management framework (continued)**

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

**i) Credit risk**

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from customers and investments in debt securities.

*Trade and other receivables and contract assets*

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk of the industry and country in which customers operate.

The Risk Management Committee has established a credit policy under which each new customer is analysed individually for creditworthiness before the Group's standard payment and delivery terms and conditions are offered.

Further information about the Group's exposure to credit risk are provided in Note 39.

**ii) Liquidity risk**

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

Further information about the Group's exposure to liquidity risk are provided in Note 39.

**iii) Market risk**

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

*Currency risk*

Currency risk is the risk that the value of a financial instrument will fluctuate due to a change in foreign exchange rates.

The Group's exposure to currency risk on transactions with related parties and borrowings that are denominated in a currency other than the respective functional currency are limited to those currencies which are pegged against USD such as AED, RO, JD etc. The Group's exposure to other currency risk is minimal.

In respect of other monetary assets and liabilities denominated in foreign currencies, the Group ensures that its net exposure is kept to an acceptable level.

**8. Financial risk and capital management (continued)****iii) Market risk (continued)***Interest rate risk*

Interest rate risk is the probability of a decline in the value of an asset resulting from unexpected fluctuations in interest rates.

The Group adopts a policy of ensuring that majority of its interest rate risk exposure is at a fixed rate.

*Equity price risk*

Equity price risk is the risk that the fair values of equity decreases as a result of changes in price indices of investments in other entities' equity instruments as part of the Group's investment portfolio.

Further information about the Group's exposure to market risk are provided in Note 39.

**Capital management**

The Group manages its capital to ensure that it will be able to continue on a going concern basis while maximizing the return to stakeholders through the optimization of the debt and equity balance.

**Gearing ratio**

The Group's management reviews the capital structure on a regular basis. As part of this review, the management considers the cost of capital and the risks associated with each class of capital.

The gearing ratios at the year end are as follows:

	<b>2022</b>	2021
		* Restated
Debt (Note 25)	2,287,009,323	2,398,040,189
Cash and cash equivalents	(92,810,183)	(155,423,157)
<b>Net debt (a)</b>	<b><u>2,194,199,140</u></b>	<b><u>2,242,617,032</u></b>
<b>Equity (b)</b>	<b><u>1,669,242,322</u></b>	<b><u>1,588,298,442</u></b>
<b>Net debt to equity</b>	<b><u>131%</u></b>	<b><u>141%</u></b>

(a) Net debt is defined as long and short-term borrowing (excluding overdraft), net of cash and cash equivalents.

(b) Equity includes all share capital, reserves and accumulated losses of the Group.

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

Notes to the consolidated financial statements  
As at and for the year ended 31 December 2022

In Qatari Riyals

**9 Property and equipment**

	Land and buildings (i) & (ii)	Leasehold improvements	Furniture and fixtures	Motor vehicles	Equipment and tools	Capital work in progress	Total
<b>Cost</b>							
Balance at 1 January 2022 (Restated)	305,159,372	304,742,426	97,871,166	42,263,334	200,281,983	10,963,672	961,281,953
Additions	-	8,331,936	553,614	2,120,157	26,675,632	4,105,515	41,786,854
Disposals	(42,230)	(1,220,191)	(5,839,512)	(1,852,735)	(10,597,280)	-	(19,551,948)
Transfers	-	6,947,023	417,262	-	51,000	(7,415,285)	-
Reclassification to intangible assets	-	-	-	-	-	(1,380,139)	(1,380,139)
Reclassification from investment property (Note 12)	-	5,118,561	-	-	760,414	964,096	6,843,071
Acquired through business combination (Note 34)	-	3,233,099	41,185	194,173	13,266,798	-	16,735,255
Write-offs	-	-	(224,607)	-	-	-	(224,607)
Balance at 31 December 2022	305,117,142	327,152,854	92,819,108	42,724,929	230,438,547	7,237,859	1,005,490,439
<b>Accumulated depreciation</b>							
Balance at 1 January 2022	138,702,730	232,174,049	87,616,504	35,362,189	183,414,085	-	677,269,557
Depreciation (iii)	9,217,896	23,089,579	3,857,589	3,202,894	22,644,682	-	62,012,640
Disposals	(42,225)	(611,928)	(5,381,406)	(1,830,353)	(10,040,477)	-	(17,906,389)
Write-offs	-	-	(212,218)	-	-	-	(212,218)
Balance at 31 December 2022	147,878,401	254,651,700	85,880,469	36,734,730	196,018,290	-	721,163,590
<b>Carrying amounts</b>							
At 31 December 2022 (iv)	157,238,741	72,501,154	6,938,639	5,990,199	34,420,257	7,237,859	284,326,849



Notes to the consolidated financial statements  
As at and for the year ended 31 December 2022

## 9 Property and equipment (continued)

Cost	Land and buildings (i) & (ii)	Leasehold improvements	Furniture and fixtures	Motor vehicles	Equipment and tools	Capital work in progress	Total
Balance 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
Impact of correction of errors (Note 40)	-	-	-	-	-	(9,946,393)	(9,946,393)
Restated balance at 1 January 2021	305,408,872	296,502,011	101,528,262	48,252,364	205,072,489	9,676,439	966,440,437
Additions (Restated)	-	7,070,844	436,183	2,389,247	7,201,352	8,030,453	25,128,079
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	-	6,532,075	16,788	-	5,345	(6,554,208)	-
Reclassification to intangible assets	-	-	-	-	-	(35,000)	(35,000)
Restated balance at 31 December 2021	305,159,372	304,742,426	97,871,166	42,263,334	200,281,983	10,963,672	961,281,953
<b>Accumulated depreciation</b>							
Balance 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
Disposals	(246,872)	(1,969,304)	(2,949,223)	(7,237,632)	(9,247,668)	-	(21,650,699)
Write-offs	-	(2,699,755)	(758,437)	-	(577,121)	-	(4,035,313)
Balance at 31 December 2021	138,702,730	232,174,049	87,616,504	35,362,189	183,414,085	-	677,269,557
<b>Carrying amounts</b>							
At 31 December 2021 (Restated)	166,456,642	72,568,377	10,254,662	6,901,145	16,867,898	10,963,672	284,012,396

**9 Property and equipment (continued)**

- (i) This includes buildings costing value at the reporting date amounted to QR 162,519,738 (2021: QR 162,519,738) that have been constructed on lands leased from various Government agencies in the State of Qatar and United Arab Emirates.
- (ii) This also includes land and buildings (Salam Plaza) with a net book value at the reporting date amounted to QR 97,246,289 (31 December 2021: QR 100,240,036) (Note 25) that is being utilised by the Group entities. This property is mortgaged to a local bank against the facilities obtained by the Group.
- (iii) Depreciation charge has been allocated in the consolidated statement of profit or loss as follows:

	2022	2021
Operating cost (Note 30)	17,531,807	8,624,892
General and administrative expenses (Note 30)	44,480,833	44,808,947
Depreciation in the consolidated statement of profit or loss (Note 30)	<u>62,012,640</u>	<u>53,433,839</u>

- (iv) In the statement of cash flows, proceeds from disposal of property and equipment comprise:

	2022	2021
Carrying amounts	1,645,559	3,581,102
Gain from sales of property and equipment (Note 31)	495,705	1,983,259
Proceeds from disposal of property and equipment	<u>2,141,264</u>	<u>5,564,361</u>

**10 Leases****A. Group as lessee**

The Group leases land and other properties such as retail outlets, staff accommodation, warehouse and factory facilities. The leases typically run for a period up to 30 years. Lease payments are renegotiated periodically to reflect the market rentals. Some leases provide for additional rent payments that are based on changes in local price indices.

The Group leases some properties with contract terms of less than one year. These leases are short-term and/or leases of low value items. The Group has elected not to recognise right-of-use assets and lease liabilities for these leases.

Information about leases for which the Group is a lessee is presented below.

**I. Right-of-use assets**

Right-of-use assets related to leased properties that do not meet the definition of investment property are presented separately in the consolidated statement of financial position. The carrying amounts of right-of-use assets are as below:

## 10 Leases (continued)

## A. Group as lessee (continued)

## I. Right-of-use assets (continued)

	Land	Other properties	Total
<b>Cost</b>			
Balance at 1 January 2021	63,224,671	51,030,099	114,254,770
Impact of correction of errors (Note 40)	(4,045,818)	-	(4,045,818)
Restated balance at 1 January 2021	59,178,853	51,030,099	110,208,952
Additions (Restated)	-	28,833,975	28,833,975
Derecognition (i)	-	(3,706,330)	(3,706,330)
Balance at 31 December 2021 / 1 January 2022 (Restated)	59,178,853	76,157,744	135,336,597
Additions	-	15,477,506	15,477,506
Derecognition (i)	-	(5,589,790)	(5,589,790)
<b>Balance at 31 December 2022</b>	<b>59,178,853</b>	<b>86,045,460</b>	<b>145,224,313</b>
<b>Accumulated depreciation</b>			
Balance at 1 January 2021	7,037,271	30,208,736	37,246,007
Impact of correction of errors (Note 40)	(883,218)	-	(883,218)
Restated balance at 1 January 2021	6,154,053	30,208,736	36,362,789
Depreciation (ii) (Restated)	3,077,028	16,338,153	19,415,181
Derecognition (i)	-	(1,856,966)	(1,856,966)
Balance at 31 December 2021 / 1 January 2022 (Restated)	9,231,081	44,689,923	53,921,004
Depreciation (ii)	1,222,236	13,858,716	15,080,952
Derecognition (i)	-	(2,415,019)	(2,415,019)
<b>Balance at 31 December 2022</b>	<b>10,453,317</b>	<b>56,133,620</b>	<b>66,586,937</b>
<b>Carrying amounts</b>			
<b>At 31 December 2022</b>	<b>48,725,536</b>	<b>29,911,840</b>	<b>78,637,376</b>
At 31 December 2021 (Restated)	49,947,772	31,467,821	81,415,593

(i) Derecognition of the right-of-use assets is a result of cancellation of certain lease contracts during the current and comparative years.

(ii) Depreciation charge has been allocated in the consolidated statement of profit or loss as follows:

	2022	2021 Restated
Operating cost (Note 30)	2,823,837	3,019,125
General and administrative expenses (Note 30)	12,257,115	16,396,056
Depreciation in the consolidated statement of profit or loss (Note 30)	<b>15,080,952</b>	<b>19,415,181</b>

Notes to the consolidated financial statements  
As at and for the year ended 31 December 2022

In Qatari Riyals

## 10 Leases (continued)

## A. Group as lessee (continued)

## II. Lease liabilities

	2022	2021 Restated
Balance at 1 January	79,250,248	82,733,638
Impact of correction of errors (Note 40)	-	(9,122,786)
Restated balance at 1 January 2021	79,250,248	73,610,852
Additions	15,477,506	28,833,975
Interest expense (i)	3,915,274	4,419,841
Principal repayments	(9,304,555)	(16,615,617)
Interest paid	(3,915,274)	(7,454,885)
Rent concessions related to COVID 19 (ii)	(2,920,158)	(1,606,436)
Derecognition	(3,389,429)	(1,937,482)
<b>Balance at 31 December</b>	<b>79,113,612</b>	<b>79,250,248</b>

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

	2022	2021 Restated
Current	11,218,289	10,867,318
Non-current	67,895,323	68,382,930
	<b>79,113,612</b>	<b>79,250,248</b>

The maturity analysis of the contractual undiscounted cash flows of lease liabilities is as follows:

	2022	2021 Restated
No later than 1 year	16,147,220	16,308,355
Later than 1 year and no later than 5 years	50,672,317	49,085,762
Later than 5 years	42,783,160	45,758,958
Total undiscounted lease liabilities at 31 December	109,602,697	111,153,075
Future finance charges of finance leases	(30,489,085)	(31,902,827)
Lease liabilities included in the statement of financial position at 31 December	<b>79,113,612</b>	<b>79,250,248</b>

**10 Leases (continued)****A. Group as lessee (continued)****II. Lease liabilities (continued)**

(i) Interest on lease liabilities has been allocated in the consolidated statement of profit or loss is as follows:

	<b>2022</b>	2021 Restated
Operating cost (Note 30)	1,083,472	1,196,769
General and administration cost (Note 30)	324	45,747
Finance costs (Note 32)	2,831,478	3,177,325
	<u><b>3,915,274</b></u>	<u>4,419,841</u>

(ii) As a consequence of COVID-19 pandemic, the Group received rent concessions from various lessors related to its certain lease properties during the current and comparative years. There were no other changes to the terms and condition of the lease agreements. The Group applied practical expedient as per IFRS 16 as these rent concessions met all the conditions required to apply the practical expedient. Accordingly, the Group recognised rent concession of QR 2,920,158 (2021: 1,606,436) during the year. (Note 31)

**III. Amounts recognised in consolidated statement of profit or loss**

	<b>2022</b>	2021 Restated
Depreciation of right of use assets [Note 10 (A) (I)]	15,080,952	19,415,181
Interest on lease liabilities [Note 10 (A)(II)]	3,915,274	4,419,841
Expenses relating to short-term leases and leases of low value assets (Note 30)	10,655,239	11,786,002
Rent concession received on account of COVID-19 (Note 31)	<u>(2,920,158)</u>	<u>(1,606,436)</u>
	<u><b>26,731,307</b></u>	<u>34,014,588</u>

**IV. Amounts recognised in consolidated statement of cash flows**

	<b>2022</b>	2021 Restated
Lease principal payments	9,304,555	16,615,617
Interest on lease liabilities	<u>3,915,274</u>	<u>7,454,885</u>
Total cash outflow for leases	<u><b>13,219,829</b></u>	<u>24,070,502</u>

**10 Leases (continued)****B. Group as lessor**

The Group leases out its investment properties consisting of its owned commercial properties as well as leased properties. All leases including sub leases are classified as operating leases from a lessor perspective.

**I. 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. Note 12 sets out information about the operating leases of investment property.

Rental income recognised by the Group during 2022 was QR 111,119,339 (2021: 108,494,175) (Note 29).

The following table sets out a maturity analysis of lease payments, showing the undiscounted lease payments to be received after the reporting date.

	<b>2022</b>	2021 Restated
Less than one year	76,899,862	81,348,166
One to two years	44,199,848	55,350,228
Two to three years	9,997,043	34,709,754
Three to four years	2,961,950	5,189,752
Four to five years	72,000	1,875,000
<b>Total</b>	<b>134,130,703</b>	<b>178,472,900</b>

**II. Finance lease**

The Group does not have any assets under finance lease in which it act as lessor.

## 11 Intangible assets and goodwill

	2022	2021
Goodwill (i)	45,447,432	60,625,515
Intangible assets (ii)	<u>28,529,200</u>	<u>30,946,314</u>
	<u><b>73,976,632</b></u>	<u><b>91,571,829</b></u>

## (i) Goodwill

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 movements in the carrying amount of goodwill is as follow.

	2022	2021
Balance at 1 January	60,625,515	60,625,515
Impairment loss (Note 30)	<u>(15,178,083)</u>	<u>-</u>
<b>Balance at 31 December</b>	<u><b>45,447,432</b></u>	<u><b>60,625,515</b></u>

*Impairment testing for CGUs containing goodwill*

For the purpose of impairment testing, the carrying amounts of goodwill has been allocated to the Group's CGUs (the subsidiary companies) as follows:

	2022	2021
Stream Industries and Engineering Company W.L.L., Qatar	-	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 Enterprises W.L.L., Qatar	<u>1,615,149</u>	<u>1,615,149</u>
	<u><b>45,447,432</b></u>	<u><b>60,625,515</b></u>

The recoverable amount of these CGUs was based on fair value less costs of disposal, estimated using discounted cash flows. The fair value measurement was categorised as a Level 3 fair value based on the inputs in the valuation technique used.

The key assumptions used in the estimation of recoverable amount are set out below. The values assigned to the key assumptions represent management's assessment of future trends in the relevant industries and have been based on historical data from both external and internal sources.

	2022	2021
Discount rate	<u><b>11%</b></u>	<u>10.5%-12%</u>
Terminal growth rate	<u><b>2.3%</b></u>	<u>2.1% – 2.9%</u>
Budgeted EBITDA growth rate (average of next five years)	<u><b>21%</b></u>	<u>24%</u>

**11 Intangible assets and goodwill (continued)**

## (i) Goodwill (continued)

*Impairment testing for CGUs containing goodwill (continued)*

The discount rate was based on a post-tax measure estimated based on the historical industry average weighted average cost of capital.

The cash flow projection includes specific estimates for five years for each CGU and a terminal growth rate thereafter. The terminal growth rate is determined based on management's estimate of long-term compound annual EBITDA growth rate, consistent with the assumption that a market participant would make.

Budgeted EBITDA was estimated taking into account past experience, adjusted as follows.

- Revenue growth was projected taking into account the average growth levels experience over the past five years and the estimated sales volume and price growth for the next five years.
- Environmental costs are assumed to grow with inflation in other years

The estimated recoverable amount of the CGUs exceeded its carrying amount by approximately QR 15,178,083 (2021: Nil). Therefore, impairment loss of QR 15,178,083 (2021: Nil) during the year was recognised. The impairment loss was fully allocated to goodwill and included in Note 30.

Management has identified that a reasonably possible change in discount rate could cause the carrying amount to exceed the recoverable amount. The following table shows the amount by which an assumption would need to change individually for estimated recoverable amount to be equal to the carrying amount.

	<b>Change required for carrying amount to equal recoverable amount</b>	
	<b>2022</b>	<b>2021</b>
Discount rate	<b>18.5%</b>	12.5%



**11 Intangible assets and goodwill (continued)**

## (ii) Intangible assets

Intangible assets include costs incurred for computer software and ERP system. The costs incurred for computer software are amortized over a period of five years, being their expected useful lives.

	2022	2021
<b>Cost</b>		
Balance at 1 January	79,098,215	77,924,242
Additions	34,521	1,578,824
Reclassification from property and equipment	1,380,139	35,000
Write-off	(19,237)	(439,851)
<b>Balance at 31 December</b>	<b>80,493,638</b>	<b>79,098,215</b>
<b>Accumulated amortisation</b>		
Balance at 1 January	48,151,901	45,272,365
Amortisation (Note 30)	3,812,537	3,319,368
Write off	-	(439,832)
<b>Balance at 31 December</b>	<b>51,964,438</b>	<b>48,151,901</b>
<b>Carrying amounts at 31 December</b>	<b>28,529,200</b>	<b>30,946,314</b>

**12 Investment properties****I. Reconciliation of carrying amount**

The movements in the investment properties during the year are as follows:

	2022	2021
Balance at 1 January	2,266,079,798	2,230,185,207
Addition	-	4,337,125
Reclassification from other assets (i)	69,768,823	-
Reclassification to property and equipment (Note 9)	(6,843,071)	-
Disposals (ii)	(14,623,762)	-
Net fair value gain(iii)	56,503,813	31,557,466
<b>Balance at 31 December</b>	<b>2,370,885,601</b>	<b>2,266,079,798</b>

Investment properties comprises a number of completed commercial, residential and industrial properties that are leased to third parties and vacant lands.

- (i) This represents transfer of advances paid in the prior years to purchase a plot of land from the artificial world island project established in Dubai to the investment property during the year as the respective land has been legally registered in the name of a subsidiary "Salam Bounian Development Company P.Q.S.C." on 2 June 2022.
- (ii) This represents the disposal of two pieces of land in Dubai during the year for net proceeds of QR 18,415,912. The Group recognised a gain of QR 3,792,150 (2021: Nil) on disposal of these investment properties during the year (Note 31).
- (iii) Changes in fair values are recognised as a gain or loss in the consolidated statement of profit or loss. All gains or losses are unrealised.

**12 Investment properties (continued)****I. Reconciliation of carrying amount (continued)**

Investment properties consist of following:

	<b>2022</b>	2021
Completed properties	2,257,128,713	2,205,297,186
Vacant lands	113,756,888	60,782,612
	<u><b>2,370,885,601</b></u>	<u>2,266,079,798</u>

Investment properties are located in State of Qatar, United Arab Emirates and State of Palestine. The below table summarize the investment properties by their location.

	<b>2022</b>	2021
Completed properties		
<i>Located in State of Qatar</i>	2,117,000,000	2,065,633,820
<i>Located in United Arab Emirates</i>	140,128,713	139,663,366
	<u>2,257,128,713</u>	<u>2,205,297,186</u>
Vacant land		
<i>Located in United Arab Emirates</i>	92,603,960	40,029,703
<i>Located in State of Palestine</i>	21,152,928	20,752,909
	<u>113,756,888</u>	<u>60,782,612</u>
	<u><b>2,370,885,601</b></u>	<u>2,266,079,798</u>

- The Group has no restrictions on the realisability of its investment properties and has no contractual obligations either to purchase, construct or develop investment properties other than those disclosed in Note 25
- Certain investment properties of the Group with fair value at 31 December 2022 of QR 2,094,000,000 (31 December 2021: QR 2,042,058,820) are mortgaged to a local bank against the facilities obtained by the Group (Note 25).
- The rental income recognised by Group during the year was QR 101,362,177 (2021: 96,657,110) and included as part of real estate revenue (Note 29).
- Maintenance expense incurred by the Group during the year for its investment properties was QR 5,678,020 (2021: QR 5,691,054) and included in operating cost (Note 30).

Investment properties are stated at fair value, which has been determined based on valuation performed by external independent valuers as at 31 December 2022 and 2021. The valuer is an accredited independent valuer with the recognised and relevant professional qualifications and with recent experience in the location and category of those investment properties being valued. In arriving at estimated market values, the valuers have used their market knowledge and professional judgment and not only relied on historical transactions comparable.

## 12 Investment properties (continued)

### II. Measurement of fair values

The Group's management determines the valuation policies and procedures for property valuations. Each year, the management, after approval of the Audit committee, appoints the external valuers responsible for the valuations of the Group's investment property. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained. The management engages independent and competent third-party valuation experts to countercheck the appropriateness of the methodologies used and appropriateness of the assumptions used; and to help them identify if there is any contradictory information and to reduce the estimation uncertainty involved in the estimation process.

The management decides after discussion with the external valuers:

- the valuation method to be applied for each property (the methods that are applied for fair value measurements categorised within Level 3 of the fair value hierarchy are the discounted cash flow method and the income capitalisation method; for fair value measurements in Level 2 of the fair value hierarchy, the market comparison approach is used) and;
- the assumptions made for unobservable inputs that are used in valuation methods (the major unobservable inputs are estimated rental value, rent growth per annum, long term vacancy rate, discount rate and exit yield)

#### *Income approach*

Income approach is a valuation method appraisers and real estate investors use to estimate the value of income producing real estate. It is based upon the premise of anticipation i.e., the expectation of future benefits. This method of valuation relates value to two things: the "market rent" that a property can be expected to earn and, the "reversion" (resale) when a property is sold.

The most commonly used technique for assessing market value within the income approach is discounted cash flow. 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. To this assessed cash-flow a market-derived discount rate is applied to establish a present value of the income stream. This net present value ("NPV") is an indication of market value.

#### *Market approach*

Market approach or direct comparison method is based on comparing the subject asset with identical or similar assets (or liabilities) for which price information is available, such as a comparison with market transactions in the same, or closely similar (i.e. similar properties that have actually been sold in arms'-length transactions or are offered for sale), type of asset (or liability) within an appropriate time horizon. This approach demonstrates what buyers have historically been willing to pay (and sellers willing to accept) for similar assets (or liabilities) in an open and competitive market. 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 market approach of valuation has primarily been adopted for plots of land and residential properties.

## 12 Investment properties (continued)

## II. Measurement of fair values (continued)

The following table shows the carrying amounts and fair values of investment properties, including their fair value hierarchy

As at 31 December 2022

	Carrying amount	Fair value		
		Level 1	Level 2	Level 3
Completed properties	2,257,128,713	-	163,128,713	2,094,000,000
Vacant lands	113,756,888	-	113,756,888	-
	<b>2,370,885,601</b>	-	<b>276,885,601</b>	<b>2,094,000,000</b>

As at 31 December 2021

	Carrying amount	Fair value		
		Level 1	Level 2	Level 3
Completed properties	2,205,297,186	-	163,238,366	2,042,058,820
Vacant lands	60,782,612	-	60,782,612	-
	<b>2,266,079,798</b>	-	<b>224,020,978</b>	<b>2,042,058,820</b>

There were no transfers between level of fair value hierarchy during current year.

## 12 Investment properties (continued)

## II. Measurement of fair values (continued)

The following table shows the valuation techniques used in measuring Level 2 and Level 3 fair values at 31 December 2022 and 2021 for investment properties, as well as the significant unobservable inputs used.

Types of properties	Valuation techniques	Significant unobservable inputs	Range weighted Average		Inter-relationship between key unobservable inputs and fair value measurement
			2022	2021	
Commercial properties	<i>Discounted cash flows:</i> The valuation model considers the present value of expected net cash flows generated from investment property discounted using weighted average cost of the capital of the Group.	Expected market rental growth rate Occupancy rate Expected net cash flows	Range from 2% - 13% Range from 83% - 94% Range from QR 113 million – QR 184 million from year 2023 to 2028 8.02% - 8.1%	Range from 3% - 10% Range from 93% - 97% Range from QR 134 million – QR 182 million from year 2022 to 2026 8.1%	The estimated fair value would increase (decrease) if: * Expected market rental growth rate were higher (lower) * The Occupancy rate were higher (lower) * Expected net cash flows were higher (lower); * Discount rates were lower (higher)
Vacant land and residential properties	<i>Market comparison technique:</i> The fair values are calculated as derived from the current market prices available for the properties or nearby / adjacent properties adjusted for any differences with the comparable properties.	Rental income (sqm) Price per square foot	QR 85 to QR 125 QR 62 – QR 483	QR 101 to QR 141 QR 60 – QR 300	* Exit yield rates were higher (lower) * Rental income per sqm was higher or lower If the price per sqft increased (decreased)

**12 Investment properties (continued)****III. Measurement of fair values (continued)****Sensitivity Information for investment property**

The significant unobservable inputs used in the fair value measurement categorised within Level 3 of the fair value hierarchy of the Group's investment property are:

- Projected rental revenue per annum
- Projected rent growth per annum
- Projected occupancy per annum
- Projected operating expenses per annum
- Discount rate (Weighted average cost of capital)
- Exit / terminal yield rate

Significant increases (decreases) in project rental value per annum, projected rent growth per annum and projected occupancy rate per annum in isolation would result in a significantly higher (lower) fair value measurement. Significant increases (decreases) in projected operating expenses per annum, discount rate and exit or terminal yield in isolation would result in a significantly lower (higher) fair value measurement.

A quantitative sensitivity analysis is as shown below:

<b>As at 31 December 2022</b>	<b>Sensitivity Level</b>	<b>Completed Properties</b>
Projected rental revenue per annum	+/- 0.5%	11,301,890
Projected rent growth per annum	+/- 0.5%	11,301,890
Projected occupancy per annum	+/- 0.5%	11,301,890
Projected operating expenses per annum	+/- 0.5%	3,741,471
Discount rate	+/- 0.5%	11,164,974
Exit / terminal yield rate	+/- 0.5%	93,433,986

<b>As at 31 December 2021</b>	<b>Sensitivity Level</b>	<b>Completed Properties</b>
Projected rental revenue per annum	+/- 0.5%	11,824,383
Projected rent growth per annum	+/- 0.5%	11,824,383
Projected occupancy per annum	+/- 0.5%	11,824,383
Projected operating expenses per annum	+/- 0.5%	2,533,320
Discount rate	+/- 0.5%	41,446,747
Exit / terminal yield rate	+/- 0.5%	82,006,290

**III. Amounts recognised in profit or loss**

The following amounts are recognized in consolidated statement of profit or loss:

	<b>2022</b>	<b>2021</b>
Rental income and other operating revenues (Note 29)	111,119,339	108,494,175
Direct operating expenses (including repairs and maintenance) arising from investment property that generated rental income during the year	<u>(12,300,458)</u>	<u>(12,796,260)</u>
Profit arising from investment property carried at fair value	<u><b>98,818,881</b></u>	<u><b>95,697,915</b></u>

**12 Investment properties (continued)****IV. Reconciliation of fair values categorized within level 3**

The reconciliation of fair values categorized within level 3 is as follows

	2022	2021
Balance as at 1 January	2,042,058,820	1,998,593,184
Addition	-	4,337,125
Gain on valuation recognized in profit or loss	58,784,251	39,128,511
Reclassification to property and equipment (Note 9)	(6,843,071)	-
Balance as at 31 December	<u>2,094,000,000</u>	<u>2,042,058,820</u>

**13 Equity-accounted investees**

	2022	2021
Interest in joint ventures (i)	66,979,356	72,686,726
Interest in associates (ii)	145,704,127	141,957,033
	<u>212,683,483</u>	<u>214,643,759</u>

**(i) Interest in joint ventures**

Name of joint venture	Country of incorporation	Ownership		2022	2021
4 Homes FZCO L.L.C. (a)	UAE	70%	70%	61,401,567	66,320,269
Shift Point L.L.C. (b)	State of Qatar	51%	51%	427,590	432,690
Speedcast Salam L.L.C. (c)	State of Qatar	51%	51%	-	460,892
Salam Sice Tech Solutions W.L.L.(d)	Qatar	51%	51%	5,050,199	5,372,875
Wikaya Contracting W.L.L. (e)	Qatar	50%	50%	100,000	100,000
Mideco Trading and Contracting L.L.C. (f)	Qatar	70%	70%	-	-
				<u>66,979,356</u>	<u>72,686,726</u>

**a) 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 activities of 4 Homes FZCO are conducted in the United Arab Emirates and other GCC countries through branches and separate entities that are effectively owned by 4 Homes FZCO. They are maintaining separate trade licenses as per the regulations prevailing locally at each location. The principal activity of the 4 Homes FZCO as per its commercial license is general trading. It is generally trading in ceramics, chinaware, house ware, utensils, cutlery, silverware, household electrical appliances, novelties, decoration materials and crystal products.

**b) Shift Point L.L.C.**

This entity 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 principal activities of this entity are providing ERP systems and consulting services.

**13 Equity-accounted investees (continued)**

(i) Interest in joint ventures (continued)

c) *Speedcast 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 under commercial registration number 54622 dated on 5 March 2012. The entity is primarily engaged in satellite communications and home station for satellite reception. During the year, the Group sold the interest in Speedcast Salam L.L.C. for a consideration of QR 4,015,000.

## d) Salam Sice Tech Solutions W.L.L

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 Commerce and Industry of State of Qatar with the Commercial Registration number 52522 dated on 27 September 2011. The principal activities of the entity, which have not changed since previous year, are provision of services relating to parking management transport solutions, water treatment systems, solar systems, tolling systems and oil and gas in territory.

## e) Wikaya Contracting W.L.L.

Wikaya Contracting W.L.L. is a limited liability company registered with the Ministry of Economy and Commerce in the State of Qatar under commercial registration number 62577 dated on 20 August 2014. The principal activity of the entity is provision of electrical and mechanical contracting services. However, operations of this entity have not yet been started.

## f) Mideco Trading and Contracting 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 Commerce and Industry of State of Qatar with the Commercial Registration number 32809 dated on 3 May 2006. The principal activities which have not changed since previous year, are execution of civil contracts relating to infrastructure type such as contracting, repairs of road, streets and sidewalks, plumbing works, sanitary works and trading building materials.

Whilst the Group's ownership proportion in these entities are above 51%, the Group exercise joint control as per the shareholders' agreements and subsequent amendments thereto. Hence, the investments are treated as the joint venture.

The movement in interest in joint ventures is presented as follows:

	<b>2022</b>	2021
Balance at 1 January	72,686,726	64,830,953
Share of results from joint venture, net	12,372,144	15,510,839
Dividend received	(17,618,623)	(7,624,543)
Excess loss recognized transferred	-	(30,523)
Disposal *	(460,891)	-
<b>Balance at 31 December</b>	<b>66,979,356</b>	<b>72,686,726</b>

The Group recognised a gain of QR 3,554,108 (2021: Nil) on disposal of this joint venture during the year (Note 31) for a consideration of QR 4,015,000.

The following table summarises the individually material joint ventures as included in its own financial statements. The table also reconciles the summarised financial statements to the carrying amount of the Group's interest in material joint ventures.



**13 Equity-accounted investees (continued)**

## (i) Interest in joint ventures (continued)

*4 Homes FZCO L.L.C.*

	<b>2022</b>	2021
<b>Percentage ownership interest</b>	<b>70%</b>	70%
Non-current assets	25,688,214	16,595,159
Current assets	85,372,678	91,489,377
Non-current liabilities	(14,296,096)	(6,613,209)
Current liabilities	(16,617,745)	(14,297,558)
<b>Net assets (100%)</b>	<b>80,147,051</b>	<b>87,173,769</b>
Group's share of net assets (70%)	56,102,936	61,399,496
Goodwill	5,298,631	5,298,631
Effect of share of profit or loss not recorded	-	(377,858)
<b>Carrying amount of interest in joint venture</b>	<b>61,401,567</b>	<b>66,320,269</b>
	<b>2022</b>	2021
Revenue (100%)	128,316,420	133,796,726
Profit and total comprehensive income (100%)	10,795,066	14,865,030
<b>Dividend received by the Group</b>	<b>(12,475,248)</b>	<b>(5,544,554)</b>
<b>Group's share of commitments and contingent liabilities</b>		
Letters of guarantees / letters of credit	-	623,762

The Group also has interest in individually immaterial joint ventures. The following table analyses, in aggregate, the carrying amount and share of profit and other comprehensive income of these joint ventures.

	<b>2022</b>	2021
Carrying amount of interest in joint ventures	<b>5,577,789</b>	<b>6,366,457</b>
Group's share of:		
- Profit	<b>4,815,599</b>	5,105,318
- OCI	-	-
	<b>4,815,599</b>	<b>5,105,318</b>

## 13 Equity-accounted investees (continued)

## (ii) Interest in associates

Name of associate	Country of incorporation	Ownership		2022	2021
Serene Real Estate S.A.L.	Lebanon	<b>49.99%</b>	49.99%	117,901,537	119,401,537
Qatar Aluminum Extrusion Company P.Q.S.C	Qatar	<b>20%</b>	20%	20,003,131	16,347,317
Canon Office Image Solutions W.L.L. (a)	Qatar	<b>51%</b>	51%	5,226,159	3,674,826
Salam Stores Hugo Boss W.L.L.	Qatar	<b>30%</b>	30%	2,573,300	2,533,353
Dutchkid FZCO and Just Kidding General Trading Company	UAE	<b>50%</b>	50%	-	-
				<b>145,704,127</b>	<b>141,957,033</b>

- a) 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.

The movement in interest in associates is presented as follows:

	2022	2021
Balance at 1 January	141,957,033	142,513,399
Additions	528,000	3,376,000
Share of results from associates	3,719,094	(3,068,195)
Dividend received	(500,000)	(500,001)
Disposal*	-	(364,170)
<b>Balance at 31 December</b>	<b>145,704,127</b>	<b>141,957,033</b>

\* During the prior year, the Group sold the interest in an associate for a consideration of QR 437,000. Accordingly, a gain of disposal of QR 72,830 was recognised (Note 31).

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

The following tables summarises the financial statements of individually material associates as included in its own financial statements. The tables also reconcile the summarised financial statements to the carrying amount of the Group's interest in individually material associates.

## 13 Equity-accounted investees (continued)

## (ii) Interest in associates (continued)

*Serene Real Estate S.A.L.*

	2022	2021
<b>Percentage ownership interest</b>	<b>49.99%</b>	49.99%
Non-current assets	238,507,260	284,524,542
Current assets	33,230,068	5,284,363
Non-current liabilities	(244,136,389)	(247,194,881)
Current liabilities	(5,668,599)	(4,394,052)
<b>Net assets (100%)</b>	<b>21,932,340</b>	38,219,972
Group's share of net assets (49.99%)	10,963,977	19,106,164
Additional investment for loss abortion	70,824,263	70,824,263
Identified fair value on acquisition	32,578,067	32,578,067
Effect of share of profit or loss not recorded	3,535,230	(3,106,957)
<b>Carrying amount of interest in associate</b>	<b>117,901,537</b>	119,401,537
Revenue	-	15,728
Loss for the year (100%)	<b>(19,945,344)</b>	(11,052,211)

*Qatar Aluminum Extrusion Company P.Q.S.C.*

	2022	2021
<b>Percentage ownership interest</b>	<b>20%</b>	20%
Non-current assets	118,467,516	127,557,478
Current assets	306,391,954	278,699,214
Non-current liabilities	(67,166,628)	(78,389,918)
Current liabilities	(267,455,108)	(249,714,002)
<b>Net assets (100%)</b>	<b>90,237,734</b>	78,152,772
Group's share of net assets (20%)	18,047,547	15,630,554
Capital infusion	1,904,000	1,376,000
Effect of share of profit or loss not recorded	51,584	(659,237)
<b>Carrying amount of interest in associate</b>	<b>20,003,131</b>	16,347,317
Revenue	<b>439,098,099</b>	327,184,472
Profit for the year (100%)	<b>12,084,962</b>	13,925,351

**13 Equity-accounted investees (continued)**

## (ii) Interest in associates (continued)

The Group also has interest in a number of individually immaterial associates. The following table analyses, in aggregate, the carrying amount and share of profit and other comprehensive income of these associates.

	2022	2021
Carrying amount of interest in associates	<u>7,799,459</u>	<u>6,208,179</u>
Group's share of:		
- Profit	<u>1,591,280</u>	<u>(666,647)</u>
	<u>1,591,280</u>	<u>(666,647)</u>

The Group has not recognised losses totalling QR 11,997,212 (2021: QR 9,219,886) in relation to its interest in associates, because the Group has no obligation in respect of these losses. However, ECL provision has been made against receivables from these equity accounted investees.

**14 Investment securities**

	2022	2021
<b>Non-current investments</b>		
Quoted equity securities – at FVOCI	30,522,405	38,521,131
Unquoted equity securities – at FVOCI	<u>56,577,060</u>	<u>70,020,831</u>
<b>Balance at 31 December</b>	<u>87,099,465</u>	<u>108,541,962</u>

**Equity securities designated 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.

	<u>Fair value at 31 December</u>		<u>Dividend income recognised</u>	
	2022	2021	2022	2021
Quoted equity instruments	30,522,405	38,521,131	529,068	402,781
Unquoted equity instruments	<u>56,577,060</u>	<u>70,020,831</u>	-	390,014
	<u>87,099,465</u>	<u>108,541,962</u>	<u>529,068</u>	<u>792,795</u>

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

	2022	2021
Balance at 1 January	108,541,962	137,979,362
Disposals during the year	(17,495,808)	(30,776,473)
Net change in fair value during the year	<u>(3,946,689)</u>	<u>1,339,073</u>
<b>Balance at 31 December</b>	<u>87,099,465</u>	<u>108,541,962</u>

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

	2022	2021
Balance at 1 January	(32,523,105)	(36,266,401)
Effect of change in fair value during the year	(4,138,858)	939,741
Realised loss transferred to accumulated losses	-	<u>2,803,555</u>
<b>Balance at 31 December</b>	<u>(36,661,963)</u>	<u>(32,523,105)</u>

**15 Retention*****I. 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.

	<b>2022</b>	2021
Retention receivables	128,601,127	156,911,528
Less: Allowance for expected credit loss	<u>(39,411,270)</u>	<u>(39,286,270)</u>
	<b><u>89,189,857</u></b>	<b><u>117,625,258</u></b>

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

	<b>2022</b>	2021
Balance at 1 January	39,286,270	42,457,704
Allowance (reversals) during the year (Note 39 C (I))	125,000	(3,446,634)
Transfers	-	275,200
<b>Balance at 31 December</b>	<b><u>39,411,270</u></b>	<b><u>39,286,270</u></b>

Retention receivables is presented in the consolidated statement of financial position as follows:

	<b>2022</b>	2021
Current	45,930,427	59,441,003
Non-current	<u>43,259,430</u>	<u>58,184,255</u>
	<b><u>89,189,857</u></b>	<b><u>117,625,258</u></b>

***II. 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.

	<b>2022</b>	2021
Current	11,487,375	14,753,591
Non-current	<u>3,729,541</u>	<u>7,261,067</u>
	<b><u>15,216,916</u></b>	<b><u>22,014,658</u></b>

**16 Other assets**

	<b>Current</b>		<b>Non-current</b>	
	<b>2022</b>	2021 Restated	<b>2022</b>	2021 Restated
Advance payments	88,473,374	91,345,853	2,938,779	73,465,587
Accrued income	28,270,096	23,931,110	-	-
Prepayments	5,942,333	15,358,157	8,333,593	7,127,402
Others	<u>21,576,963</u>	<u>26,669,171</u>	-	-
	<b><u>144,262,766</u></b>	<b><u>157,304,291</u></b>	<b><u>11,272,372</u></b>	<b><u>80,592,989</u></b>

**Notes to the consolidated financial statements**  
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**17 Inventories**

	<b>2022</b>	2021
Goods for resale	343,110,455	276,714,224
Goods in transit	18,835,654	2,637,955
	<u>361,946,109</u>	<u>279,352,179</u>
Less: provision for slow moving inventories	(80,477,710)	(70,955,369)
	<u><b>281,468,399</b></u>	<u>208,396,810</u>

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 of provision for slow moving inventories is as follows:

	<b>2022</b>	2021
Balance at 1 January	70,955,369	84,667,683
Provision during the year (1)	10,211,228	7,280,359
Reversals during the year (2)	-	(20,144,562)
Write-offs during the year	(688,887)	(848,111)
<b>Balance at 31 December</b>	<u><b>80,477,710</b></u>	<u>70,955,369</u>

(1) Provision for the year is allocated in the consolidated statement of profit or loss as follows

	<b>2022</b>	2021
Operating cost (Note 30)	-	13,471
General and administrative expense (Note 30)	10,211,228	7,266,888
	<u><b>10,211,228</b></u>	<u>7,280,359</u>

(2) The Group has sold these inventories during the year and related provision was reversed. Reversal of provision amounting to QR Nil (2021: QR 20,144,562) was included in the cost of goods sold under operating cost due to the utilisation of these inventories during the year.

**18 Related parties**

The Group enters into transactions with companies and entities that fall within the definition of a related party as contained in International Accounting Standard No. 24, Related Party Disclosures. Related parties comprise companies under common ownership and/or common management and control, key management personnel, entities in which the shareholders have controlling interest, affiliates, and other related parties.

**(a) Transactions with related parties**

	<b>2022</b>	2021
<b>Sales of goods and services</b>		
Other related parties and equity accounted investees	<u>4,482,115</u>	<u>3,286,288</u>
<b>Real estate income</b>		
Other related parties and equity accounted investees	<u>27,146,638</u>	<u>24,358,301</u>
<b>Cost of goods sold</b>		
Other related parties and equity accounted investees	<u>644,685</u>	<u>1,793,070</u>
<b>Other income</b>		
Other related parties and equity accounted investees	<u>1,405,349</u>	<u>3,183,909</u>
<b>Other expenses</b>		
Other related parties and equity accounted investees	<u>698,836</u>	<u>428,665</u>
<b>Dividend received</b>		
Joint ventures	<u>17,618,623</u>	<u>7,655,063</u>
Associates	<u>500,000</u>	<u>500,001</u>

**18 Related parties (continued)****(a) Transactions with related parties (continued)****Terms and conditions of transactions with related parties**

Transactions with related parties are approved by the management. These transactions were carried out at prices or terms approved by management. All outstanding balances except loan to associate companies, are of trading nature, bear no interest or securities and are receivable on demand. There have been no guarantees received for any related party receivables balances.

**(b) Loan to associate companies**

	Relationship	2022	2021
Dutchkid FZCO and Just Kidding General Trading Company	Associate	20,808,424	20,247,098
Mideco Trading and Contracting W.L.L.	Associate	3,034,063	3,034,063
		<u>23,842,487</u>	<u>23,281,161</u>

**(c) Compensation of key management personnel**

	2022	2021
<b>Short-term and long-term benefits</b>		
Salaries and other short-term benefits	22,591,969	25,125,598
Executive management bonus	3,520,878	2,600,710
End of service benefits	829,571	905,505
	<u>26,942,418</u>	<u>28,631,813</u>

**(d) Due from related parties**

	Relationship	2022	2021 Restated
Serene Real Estate S.A.L.	Associate	100,839,479	99,009,529
West Bay Medicare W.L.L.	Affiliate	100,498,670	77,549,974
Mideco Trading and Contracting W.L.L.	Associate	42,592,449	35,467,687
Salam Holdings W.L.L.	Affiliate	19,420,351	14,144,036
Qatar Boom Electrical Engineering W.L.L.	Affiliate	14,498,773	10,640,464
Salam Sice Tec Solutions W.L.L.	Associate	9,303,563	-
Burhan International Construction Company W.L.L.	Affiliate	6,754,112	13,943,080
Just Kidding	Associate	5,907,999	4,516,166
Technical Field Services	Affiliate	4,614,842	4,614,842
Eco Engineering and Energy Solution L.L.C	Affiliate	1,219,692	1,184,191
Mr. Bassam Abu Issa	Others	469,062	87,548
Mr. Mohammad Hammoudi	Others	357,859	359,038
Real Jubail Investment W.L.L.	Affiliate	242,032	479,341
Al Hussam Holding W.L.L.	Affiliate	228,868	-
Atelier 101	Affiliate	224,085	147,923
Mr. Jamal Abu Issa	Others	134,260	127,124
Meta Coat W.L.L.	Associate	-	23,539,152
Soula Systems W.L.L.	Affiliate	-	2,641,589
Salam Media Cast – Doha	Affiliate	-	89,941
Nasser Bin Khaleed & Son Trading Company	Others	81,780	73,875
		<u>307,387,876</u>	<u>288,615,500</u>
Allowance for impairment of due from related parties		<u>(60,761,931)</u>	<u>(70,800,394)</u>
		<u>246,625,945</u>	<u>217,815,106</u>

**18 Related parties (continued)****(d) Due from related parties (continued)**

The movement in allowance for impairment of due from related parties are as follows:

	<b>2022</b>	2021 Restated
Balance at 1 January	70,800,394	53,569,060
Allowance made during the year (Note 39 C (I))	8,542,659	18,013,234
Transfers	140,000	(30,523)
Write-offs during the year	(18,721,122)	(751,377)
<b>Balance at 31 December</b>	<b>60,761,931</b>	<b>70,800,394</b>

**(e) Due to related parties**

	<b>2022</b>	2021
Other related party	1,183,947	1,194,422
Canon office Imaging W.L.L.	240,685	119,164
Salam Sice Tec Solutions W.L.L.	-	1,939,077
Al Hussam Holding W.L.L.	-	1,854,905
	<b>1,424,632</b>	<b>5,107,568</b>

**19 Contract assets and contract liabilities**

	<b>2022</b>	2021 Restated
Aggregate amount of costs incurred and recognised profit (less any recognised losses) to the reporting date	3,883,578,223	4,584,732,264
Progress billings made to customers to the reporting date	(3,766,563,733)	(4,262,719,215)
Less: Allowance for impairment of contract assets (i)	(9,913,685)	(16,458,095)
<b>Contracts-in-progress-net</b>	<b>107,005,805</b>	<b>305,554,954</b>

Presented in the consolidated statement of financial position as follows:

	<b>2022</b>	2021 Restated
Contract assets	147,232,054	373,228,401
Less: Allowance for impairment of contract assets (i)	(9,913,685)	(16,458,095)
<b>Contract assets, net</b>	<b>137,318,369</b>	<b>356,770,306</b>
Contract liabilities	(30,217,564)	(51,215,352)
<b>Contracts-in-progress-net</b>	<b>107,100,805</b>	<b>305,554,954</b>

(i) The movement in allowance for impairment of contract assets is as follows:

	<b>2022</b>	2021 Restated
Balance at 1 January	16,458,095	35,006,295
Reversals during the year (Note 39 C (I))	(4,618,792)	(4,439,092)
Write-offs during the year	(1,925,618)	(13,833,908)
Transfers	-	(275,200)
<b>Balance at 31 December</b>	<b>9,913,685</b>	<b>16,458,095</b>



**19 Contract assets and contract liabilities (continued)**

The contract assets primarily relate to the Group's rights to consideration for work completed but not billed at the reporting date on several projects relating to the operating segments such as contracting, technology and energy and industry. The contract assets are transferred to receivables when the rights become unconditional. This usually occurs when the Group issues an invoice to the customer.

The contract liabilities primarily relate to the advance consideration received from customers for construction of several projects relating to the operating segments such as contracting, technology, and energy and industry, for which revenue is recognised over time.

**20 Trade and other receivables**

	2022	2021
Trade receivables	693,635,056	560,754,820
Notes receivables	9,648,238	11,981,671
	<u>703,283,294</u>	<u>572,736,491</u>
Less: Allowance for impairment of trade receivables	(198,299,999)	(197,749,439)
	<u><b>504,983,295</b></u>	<u><b>374,987,052</b></u>

The movement in allowance for impairment of trade receivables is as follows:

	2022	2021
Balance at 1 January	197,749,439	217,955,096
Allowance made during the year (Note 39 C (I))	14,286,061	596,604
Write-offs during the year	(13,735,501)	(20,802,261)
<b>Balance at 31 December</b>	<u><b>198,299,999</b></u>	<u><b>197,749,439</b></u>

**21 Cash and cash equivalents**

	2022	2021
Cash balances	2,489,494	2,020,379
Bank balances	85,611,055	128,319,924
Short term deposits (Maturity less than 90 days)	4,709,634	25,082,854
<b>Cash and cash equivalents in the statement of financial position</b>	<u><b>92,810,183</b></u>	<u><b>155,423,157</b></u>
Less: Bank overdraft (i)	(80,096,311)	(50,593,729)
Less: Margin deposits against guarantees	(2,757,415)	(2,354,416)
<b>Cash and cash equivalents in the statement of cash flow</b>	<u><b>9,956,457</b></u>	<u><b>102,475,012</b></u>

(i) Bank overdrafts carried an average interest rate ranging from 5.75% to 6.75% p.a. (2021: 4.25% to 4.75% p.a.).

(ii) Short terms deposits carried and average interest rate ranging from 1.15% p.a. (2021: 1.15% to 1.43% p.a.)

**22 Share capital**

	2022	2021
Authorised, issued and fully paid-up capital (1,143,145,870 shares @ QR 1 each in current and comparative year)	<u><b>1,143,145,870</b></u>	<u><b>1,143,145,870</b></u>

All shares are of same class and carry equal voting rights.

**23 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.

**24 Non-controlling interests**

	<b>2022</b>	2021
Balance at 1 January	220,805,203	217,159,058
Share of profit for the year	20,240,833	7,453,570
Share of other comprehensive income for the year	192,169	399,332
Acquisition of non-controlling interest	(816,314)	(692,201)
Net movement in non-controlling interests	(272,783)	(3,514,556)
Absorption of losses attributable to non-controlling interests	6,773,555	-
<b>Balance at 31 December</b>	<b>246,922,663</b>	<b>220,805,203</b>

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, before any intra-group eliminations.

	<b>2022</b>	2021
NCI Percentage	<b>29.08%</b>	29.19%
Non-current assets	1,635,060,987	1,605,127,229
Current assets	238,501,457	236,044,076
Non-current liabilities	(244,824,118)	(251,935,491)
Current liabilities	(814,894,576)	(842,638,553)
<b>Net assets</b>	<b>813,843,750</b>	<b>746,597,261</b>
<b>Net assets attributable to NCI</b>	<b>236,665,763</b>	<b>217,931,740</b>
Revenue	128,648,499	117,669,441
Profit	66,600,034	23,920,765
Other comprehensive income	646,455	1,362,316
<b>Total comprehensive income</b>	<b>67,246,489</b>	<b>25,283,081</b>
<b>Profit allocated to NCI</b>	<b>19,367,290</b>	<b>6,982,471</b>
<b>Other comprehensive income allocated to NCI</b>	<b>187,989</b>	<b>397,660</b>
Cash flows from operating activities	23,384,668	27,516,474
Cash flows from investing activities	13,747,662	(8,579,853)
Cash flows from financing activities	(37,846,205)	(23,382,536)
<b>Net decrease in cash and cash equivalents</b>	<b>(713,875)</b>	<b>(4,445,915)</b>

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## 25 Borrowings

	2022	2021
Balance at 1 January	2,398,040,189	2,697,784,486
Proceeds from borrowings	403,141,478	373,654,859
Addition through business combination (Note 34)	8,427,858	-
Repayment of borrowings - principal	(558,843,386)	(746,380,728)
Interest expenses (i)	115,553,668	109,586,557
Interest paid	(79,310,484)	(36,604,985)
<b>Balance at 31 December</b>	<b><u>2,287,009,323</u></b>	<b><u>2,398,040,189</u></b>

(i) Finance costs has been allocated in the consolidated statement of profit or loss as follows:

	2022	2021
Finance costs (Note 32)	107,563,973	97,562,417
Operating cost (Note 30)	7,989,695	12,024,140
<b>Balance at 31 December</b>	<b><u>115,553,668</u></b>	<b><u>109,586,557</u></b>

	Current		Non-current	
	2022	2021	2022	2021
Terms loans (a)	121,860,145	265,833,205	1,811,237,584	1,821,913,147
Loan against trust receipts (b)	353,911,594	295,067,171	-	-
Project finance (c)	-	15,226,666	-	-
	<b><u>475,771,739</u></b>	<b><u>576,127,042</u></b>	<b><u>1,811,237,584</u></b>	<b><u>1,821,913,147</u></b>

## a) Term loans

Term loans represent the following and all these loans are carrying interest rates ranging from 3.5% to 8% (2021: 2.90% to 5.25%).

	Maturity	2022	2021
Loan 1 (i)	31 May 2041	1,187,866,661	1,190,656,236
Loan 2 (ii)	31 March 2035	330,141,000	343,641,000
Loan 3 (iii)	31 May 2041	207,534,443	205,822,769
Loan 4 (iv)	31 March 2023	44,543,712	143,430,329
Loan 5 (v)	01 May,2026	46,473,255	52,675,674
Loan 6 (vi)	31 December 2025	50,000,000	51,011,731
Loan 7 (vii)	30 April 2027	29,250,000	32,500,000
Loan 8 (viii)	11 August 2023	19,724,778	30,345,828
Loan 9 (ix)	18 February 2023	-	16,098,992
Loan 10 (x)	Various date	17,563,880	21,563,793
		<b><u>1,933,097,729</u></b>	<b><u>2,087,746,352</u></b>

- (i) A term loan of QR 1.06 billion was availed as a part of the Groups debt management. The loan is repayable in 79 quarterly instalments of QR 21.75 million each with a bullet payment of QR 221.35 million in May 2041.
- (ii) Two term loans of QR 300 million and QR 100 million were availed as a part of the Group's debt management. These two existing term loans were consolidated and a term loan of QR 345.14 million was availed during the last year. This loan is repayable in 52 quarterly instalments on step up basis with a final instalment of QR 15.31 million in March 2035.

**25 Borrowings (continued)**

a) Term loans (continued)

- (iii) A term loan of QR 195 million was availed as part of the Groups debt management. This loan is re-payable in 79 quarterly instalments of QR 4.15 million each with a bullet payment of QR 29.24 million in May 2041.
- (iv) 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 March 2023.
- (v) 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) A term loan of QR 50 million was availed to meet working capital requirement. The loan is repayable in 36 monthly instalments of QR 1.42 million each with a final payment of QR 5.98 million in December 2025.
- (vii) 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) 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) 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 was on February 2023. The Group has early settled the loan during the year.
- (x) Various term loans were availed for general business operations; These term loans are having varying maturities.

b) 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 (2021: 4.15% to 4.75%). Those facilities are short term in nature and, are repayable within one fiscal year from the date of the facility.

c) Project finances

These represent facilities obtained from local and foreign banks and secured by full corporate guarantee of the Group. These facilities carried interest rates ranging from 4.25% to 5 % (2021: 4.25% to 5 %) per annum 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. During the year, the Group settled the loan.

Securities

Loan (i) and Loan (iii) are secured over certain investment properties with a fair value of QR 2,094,000,000 (2021: QR 2,042,058,820) (Note 12) and certain property and equipment with the net book value of QR 97,246,289 (2021: QR 100,240,036) (Note 9). Other loans and borrowings are secured by corporate guarantees of the Company and / or cross corporate guarantees of subsidiaries.

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25 Borrowings (continued)

	Liabilities			Equity				Total	
	Borrowing	Lease liabilities	Others	Share capital	Legal reserve	Fair value reserve	Accumulated losses		NCI
<b>Balance at 1 January 2022 (Restated)</b>	2,398,040,189	79,250,248	-	1,143,145,870	471,652,650	(32,523,105)	(214,782,176)	220,805,203	4,065,588,879
<b>Changes from financing cash flows</b>									
Proceeds from borrowings	403,141,478	-	-	-	-	-	-	-	403,141,478
Repayment of borrowings	(558,843,386)	-	-	-	-	-	-	-	(558,843,386)
Payment of lease liabilities	-	(9,304,555)	-	-	-	-	-	-	(9,304,555)
Acquisition of non-controlling interests	-	-	-	-	-	-	-	(816,314)	(816,314)
Net movement in non-controlling interests	-	-	-	-	-	-	-	(272,783)	(272,783)
<b>Total changes from financing cash flows</b>	(155,701,908)	(9,304,555)	-	-	-	-	-	(1,089,097)	(166,095,560)
<b>Other changes</b>									
<b>Liability-related</b>									
New leases	-	15,477,506	-	-	-	-	-	-	15,477,506
Added through business combination	8,427,858	-	-	-	-	-	-	-	8,427,858
Interest expense	115,553,668	3,915,274	6,176,830	-	-	-	-	-	125,645,772
Interest paid	(79,310,484)	(3,915,274)	(6,176,830)	-	-	-	-	-	(89,402,588)
Rent concessions related to COVID 19	-	(2,920,158)	-	-	-	-	-	-	(2,920,158)
Derecognition	-	(3,389,429)	-	-	-	-	-	-	(3,389,429)
<b>Total liability-related other changes</b>	44,671,042	9,167,919	-	-	-	-	-	-	53,838,961
<b>Total equity-related other changes</b>	-	-	-	-	6,023,274	(4,138,858)	52,942,004	27,206,557	82,032,977
<b>Balance at 31 December 2022</b>	<b>2,287,009,323</b>	<b>79,113,612</b>	<b>-</b>	<b>1,143,145,870</b>	<b>477,675,924</b>	<b>(36,661,963)</b>	<b>(161,840,172)</b>	<b>246,922,663</b>	<b>4,035,365,257</b>

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25 Borrowings (continued)

	Liabilities		Equity					Total	
	Borrowing	Lease liabilities	Others	Share capital	Legal reserve	Fair value reserve	Accumulated losses		NCI
Balance at 1 January 2021 (Restated)	2,697,784,486	73,610,852	-	1,143,145,870	466,489,040	(36,266,401)	(264,571,359)	217,159,058	4,297,351,546
Changes from financing cash flows									
Proceeds from borrowings	373,654,859	-	-	-	-	-	-	-	373,654,859
Repayment of borrowings	(746,380,728)	-	-	-	-	-	-	-	(746,380,728)
Payment of lease liabilities	-	(16,615,617)	-	-	-	-	-	-	(16,615,617)
Acquisition of non-controlling interests	-	-	-	-	-	-	127,911	(692,201)	(564,290)
Net movement in non-controlling interests	-	-	-	-	-	-	-	(3,514,556)	(3,514,556)
Total changes from financing cash flows	(372,725,869)	(16,615,617)	-	-	-	-	127,911	(4,206,757)	(393,420,332)
Other changes									
Liability-related									
New leases	-	28,833,975	-	-	-	-	-	-	28,833,975
Interest expense	109,586,557	4,419,841	4,818,036	-	-	-	-	-	118,824,434
Interest paid	(36,604,985)	(7,454,885)	(4,818,036)	-	-	-	-	-	(48,877,906)
Rent concessions related to COVID 19	-	(1,606,436)	-	-	-	-	-	-	(1,606,436)
Derecognition	-	(1,937,482)	-	-	-	-	-	-	(1,937,482)
Total liability-related other changes	72,981,572	22,255,013	-	-	-	-	-	-	95,236,585
Total equity-related other changes	-	-	-	-	5,163,610	3,743,296	49,661,272	7,852,902	66,421,080
Balance at 31 December 2021 (Restated)	2,398,040,189	79,250,248	-	1,143,145,870	471,652,650	(32,523,105)	(214,782,176)	220,805,203	4,065,588,879

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**26 Employees' end of service benefits**

	<b>2022</b>	2021
Balance at 1 January	60,422,972	61,663,949
Acquired through business combination (Note 34)	73,866	-
Provision made during the year	8,466,019	10,587,433
Payments made during the year	<u>(12,798,265)</u>	<u>(11,828,410)</u>
<b>Balance at 31 December</b>	<b><u>56,164,592</u></b>	<b><u>60,422,972</u></b>

**27 Other liabilities**

	<b>2022</b>	2021
		Restated
Provision for supplier dues	33,569,622	36,688,752
Staff dues and incentives	25,520,974	29,817,360
Accrued expenses	18,479,471	25,040,337
Provision for completed jobs	24,370,765	18,585,175
Dividend payable	15,541,525	15,850,871
Provision for contribution for social and sports fund (Note 36)	1,505,818	3,443,928
Other payables	<u>16,301,955</u>	<u>41,574,599</u>
	<b><u>135,290,130</u></b>	<b><u>171,001,022</u></b>

**28 Trade and other payables**

	<b>2022</b>	2021
Trade payables	199,660,310	192,872,761
Notes payables	<u>8,714,107</u>	<u>8,408,773</u>
	<b><u>208,374,417</u></b>	<b><u>201,281,534</u></b>

Trade and other payables are presented in the consolidated statement of financial position as follows:

	<b>2022</b>	2021
Current	207,274,417	199,442,404
Non-current	<u>1,100,000</u>	<u>1,839,130</u>
	<b><u>208,374,417</u></b>	<b><u>201,281,534</u></b>

**29 Revenue****A. Revenue streams**

The Group generates revenue primarily from the sale of products, provision of services and through construction contracts. Other sources of revenue include rental income from owned properties and leased investment properties.

	<b>2022</b>	2021
		Restated
Revenue from contracts with customers	1,480,117,690	1,445,820,636
Real estate revenue		
- Rental income from investment properties (Note 12)	101,362,177	96,657,110
- Other rental income	<u>9,757,162</u>	<u>11,837,065</u>
<b>Total revenue</b>	<b><u>1,591,237,029</u></b>	<b><u>1,554,314,811</u></b>

**29 Revenue (continued)****B. Disaggregation of revenue from contracts with customers**

In the following table, revenue from contracts with customers is disaggregated by primary geographical market, major products and services lines and timing of revenue recognition. The table also includes a reconciliation of the disaggregated revenue with the Group's reportable segments (Note 38).

	<b>For the year ended 31 December 2022</b>	<b>Contracting</b>	<b>Energy and industry</b>	<b>Luxury retail</b>	<b>Technology</b>	<b>Real estate and investments</b>	<b>Total</b>
<b>Primary geographical markets</b>							
State of Qatar	235,202,354	299,702,378	499,522,963	202,550,500	36,113,128	1,273,091,323	
United Arab Emirates	17,110,702	-	127,367,670	8,471,316	-	152,949,688	
Others	53,054,309	-	1,022,370	-	-	54,076,679	
	<b>305,367,365</b>	<b>299,702,378</b>	<b>627,913,003</b>	<b>211,021,816</b>	<b>36,113,128</b>	<b>1,480,117,690</b>	
<b>Major products/service lines</b>							
Contract revenue	288,106,646	184,486,498	5,600,090	132,734,976	27,730,758	638,658,968	
Revenue from sale of goods	16,851,339	107,732,705	618,573,430	13,390,603	-	756,548,077	
Service revenue	409,380	7,483,175	3,739,483	64,896,237	8,382,370	84,910,645	
	<b>305,367,365</b>	<b>299,702,378</b>	<b>627,913,003</b>	<b>211,021,816</b>	<b>36,113,128</b>	<b>1,480,117,690</b>	
<b>Type of customers</b>							
Third party customers	305,213,955	298,708,680	627,158,293	210,924,740	33,629,907	1,475,635,575	
Related parties	153,410	993,698	754,710	97,076	2,483,221	4,482,115	
	<b>305,367,365</b>	<b>299,702,378</b>	<b>627,913,003</b>	<b>211,021,816</b>	<b>36,113,128</b>	<b>1,480,117,690</b>	
<b>Timing of revenue recognition</b>							
Products transferred at a point in time	16,851,339	107,732,705	618,573,430	13,390,603	-	756,548,077	
Products and services transferred over time	288,516,026	191,969,673	9,339,573	197,631,213	36,113,128	723,569,613	
	<b>305,367,365</b>	<b>299,702,378</b>	<b>627,913,003</b>	<b>211,021,816</b>	<b>36,113,128</b>	<b>1,480,117,690</b>	
<b>Revenue from contracts with customers</b>							
Real estate revenue	-	768,750	3,461,028	245,219	106,644,342	111,119,339	
<b>External revenue as reported (Note 38)</b>	<b>305,367,365</b>	<b>300,471,128</b>	<b>631,374,031</b>	<b>211,267,035</b>	<b>142,757,470</b>	<b>1,591,237,029</b>	



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**29 Revenue (continued)****B. Disaggregation of revenue from contracts with customers (continued)**

For the year ended 31 December 2021 (Restated)	Contracting	Energy and industry	Luxury retail	Technology	Real estate and investments	Total *Restated
<b>Primary geographical markets</b>						
State of Qatar	267,517,875	254,322,580	472,397,707	222,906,965	27,696,273	1,244,841,400
United Arab Emirates	20,157,141	-	115,185,197	12,437,060	-	147,779,398
Others	52,240,259	-	959,579	-	-	53,199,838
	<b>339,915,275</b>	<b>254,322,580</b>	<b>588,542,483</b>	<b>235,344,025</b>	<b>27,696,273</b>	<b>1,445,820,636</b>
<b>Major products/service lines</b>						
Contract revenue	319,988,358	172,563,728	3,030,687	136,247,331	27,696,273	659,526,377
Revenue from sale of goods	19,523,189	75,654,706	578,508,940	20,891,134	-	694,577,969
Service revenue	403,728	6,104,146	7,002,856	78,205,560	-	91,716,290
	<b>339,915,275</b>	<b>254,322,580</b>	<b>588,542,483</b>	<b>235,344,025</b>	<b>27,696,273</b>	<b>1,445,820,636</b>
<b>Type of customers</b>						
Third party customers	339,130,277	253,801,253	587,897,402	235,344,025	26,361,390	1,442,534,347
Related parties	784,998	521,327	645,081	-	1,334,883	3,286,289
	<b>339,915,275</b>	<b>254,322,580</b>	<b>588,542,483</b>	<b>235,344,025</b>	<b>27,696,273</b>	<b>1,445,820,636</b>
<b>Timing of revenue recognition</b>						
Goods transferred at a point in time	19,523,189	75,654,706	578,508,940	20,891,132	-	694,577,967
Services transferred over time	320,392,086	178,667,874	10,033,543	214,452,893	27,696,273	751,242,669
	<b>339,915,275</b>	<b>254,322,580</b>	<b>588,542,483</b>	<b>235,344,025</b>	<b>27,696,273</b>	<b>1,445,820,636</b>
<b>Revenue from contracts with customers</b>						
Real estate revenue	-	824,999	5,599,281	278,465	101,791,430	108,494,175
	<b>339,915,275</b>	<b>255,147,579</b>	<b>594,141,764</b>	<b>235,622,490</b>	<b>129,487,703</b>	<b>1,554,314,811</b>

**External revenue as reported (Note 38)**

**30 Expenses by nature**

	<b>2022</b>	2021 Restated
Contract cost	515,781,953	532,160,217
Cost of goods sold	543,146,130	531,188,325
Cost of service	56,330,884	63,531,895
Real estate costs (Note 12)	5,678,020	5,691,054
Staff cost	175,780,012	171,874,947
Depreciation of property and equipment (Note 9)	62,012,640	53,433,839
Depreciation of right-of-use assets (Note 10 (A) (I))	15,080,952	19,415,181
Amortisation of intangible assets (Note 11 (ii))	3,812,537	3,319,368
Interest on lease liabilities (Note 10 (A) (II))	1,083,796	1,242,516
Interest charged to projects (Note 25)	7,989,695	12,024,140
Marketing expenses	22,474,662	20,444,295
Supplier contribution for marketing expenses	(10,726,785)	(14,642,671)
Rent expense	10,655,239	11,786,002
Repairs and maintenance	9,463,720	10,816,617
Legal and registration charges	7,141,174	8,465,998
Professional fees	9,057,011	8,345,177
Provision / (reversal) for slow moving inventories (Note 17)	10,211,228	(12,864,203)
Electricity and water	5,676,660	5,770,450
Write-offs of inventory	-	4,934,579
Communication	3,314,370	3,438,247
Fuel	2,849,141	2,702,546
Printing and stationery	1,576,156	2,180,422
Insurance	1,593,617	1,647,925
Advertising	2,308,766	1,335,400
Write-offs of property and equipment and intangible assets	31,626	984,468
Impairment loss on goodwill (Note 11)	15,178,083	-
Entertainment	2,052,867	839,408
Tender fees	631,621	631,703
Travelling	1,266,598	518,417
Transportation	433,129	495,442
Business development	190,286	388,454
Donations	391,999	321,188
Subscription and catalogues	457,454	249,307
Meeting and conference	105,208	65,163
Others	5,767,279	3,766,633
	<b><u>1,488,797,728</u></b>	<b><u>1,456,502,449</u></b>

The above expenses are presented in the statement of profit or loss and other comprehensive income as follows:

	<b>2022</b>	2021 Restated
Operating cost	1,150,365,798	1,137,305,596
General and administrative expenses	323,253,847	319,196,853
Impairment of goodwill	15,178,083	-
	<b><u>1,488,797,728</u></b>	<b><u>1,456,502,449</u></b>

**30 Expenses by nature (continued)**

Operating cost has been further analysed as follows:

	<b>2022</b>	2021 Restated
Contract costs*	517,724,211	533,082,008
Cost of goods sold**	543,146,130	511,057,504
Cost of service	56,330,884	63,531,895
Real estate costs	5,678,020	5,691,054
Interest charged to projects (Note 25)	7,989,695	12,024,140
Depreciation of property and equipment (Note 9)	15,589,549	7,703,101
Depreciation of right-of-use assets (Note 10 (A) (I))	2,823,837	3,019,125
Interest on lease liabilities (Note 10 (A) (II))	1,083,472	1,196,769
	<u><b>1,150,365,798</b></u>	<u><b>1,137,305,596</b></u>

\* This includes depreciation of property and equipment amounted to QR 1,942,258 (2021: QR 921,791) (Note 9).

\*\* This includes provision for slow moving inventories amounted to QR Nil (2021: QR 13,741) and reversal of provision amounted to QR Nil (2021: QR 20,144,562) (Note 17)

General and administrative expenses have been further analysed as follows:

	<b>2022</b>	2021 Restated
Staff cost***	175,855,944	173,246,470
Depreciation of property and equipment (Note 9)	44,480,833	44,808,947
Depreciation of right-of-use assets (Note 10 (A) (I))	12,181,507	15,070,280
Amortisation of intangible assets	3,812,537	3,319,368
Rent expense	10,655,239	11,786,002
Repairs and maintenance	9,463,720	10,816,617
Legal and registration charges	7,141,174	8,465,998
Professional fees	9,057,011	8,345,177
Provision for slow moving inventories (Note 17)	10,211,228	7,266,888
Electricity and water	5,676,660	5,770,450
Write-offs of inventory	-	4,934,579
Communication	3,314,370	3,438,247
Fuel	2,849,141	2,702,546
Printing and stationery	1,576,156	2,180,422
Insurance	1,593,617	1,647,925
Advertising	2,308,766	1,335,400
Marketing expenses	22,474,662	20,444,295
Supplier contribution for marketing expenses	(10,726,785)	(14,642,671)
Write-offs of property and equipment and intangible assets	12,679	984,459
Entertainment	2,052,867	839,408
Tender fees	631,621	631,703
Travelling	1,266,598	518,417
Transportation	433,129	495,442
Business development	190,286	388,454
Donations	391,999	321,188
Subscription and catalogues	457,454	249,307
Meeting and conference	105,208	65,163
Others	5,786,226	3,766,372
	<u><b>323,253,847</b></u>	<u><b>319,196,853</b></u>

**30 Expenses by nature (continued)**

\*\*\* This includes depreciation of right-of-use assets amounted to QR 75,608 (2021: QR 1,325,776) and interest on lease liabilities amounted to QR 324 (2021: QR 45,747) (Note 10).

**31 Other income**

	2022	2021
Profit on disposal of property and equipment (Note 9)	495,705	1,983,259
Lease concession received due to COVID-19	2,920,158	1,606,436
Service and consultancy income	1,328,139	993,667
Gain on disposal of investment in equity accounted investee (Note 13)	3,554,108	72,830
Gain on derecognition of right-of-use assets and lease liabilities	214,658	88,118
Gain on disposal of investment property (Note 12)	3,792,150	-
Consignment income	4,776,760	4,316,784
Scrap sales	271,783	-
Miscellaneous income	28,511,662	27,782,362
	<u>45,865,123</u>	<u>36,843,456</u>

**32 Net finance costs**

	2022	2021
<b>Finance income</b>		
Interest income	7,688,980	7,246,644
Dividend income	529,068	792,795
	<u>8,218,048</u>	<u>8,039,439</u>
<b>Finance cost</b>		
Interest on borrowing	(107,563,973)	(97,562,417)
Interest on lease liabilities	(2,831,478)	(3,177,325)
Others	(6,176,830)	(4,818,036)
	<u>(116,572,281)</u>	<u>(105,557,778)</u>
<b>Net finance cost recognised in profit or loss</b>	<u>(108,354,233)</u>	<u>(97,518,339)</u>

**33 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 profit or loss are:

	2022	2021
<b>Current tax expense</b>		
Current year	1,204,270	881,012
Changes in estimates related to prior years	263,044	286,530
	<u>1,467,314</u>	<u>1,167,542</u>
<b>Deferred tax expense</b>		
Origination and reversal of temporary differences	-	-
	<u>-</u>	<u>-</u>
<b>Tax expense</b>	<u>1,467,314</u>	<u>1,167,542</u>

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 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.

**33 Income tax expense (continued)**

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 12.09% (2021: 14.08%) of non-Qatari shareholders of the Group. Further, the Group did not estimate significant deferred tax in respect of timing difference.

**34 Subsidiaries****a) Details of the Group's subsidiaries are as follows:**

Name of subsidiary	Principal activities	Country of incorporation	Ownership interest (%)	
			2022	2021
Salam Technology W.L.L.	Information technology	Qatar	100	100
I Telligent Technologies L.L.C.	Electronic system installation and maintenance	UAE	100	100
Stream Industrial and Engineering Company W.L.L.	Mechanical services	Qatar	100	100
Qatar German Switchgear Company W.L.L.	Switchgear manufacturing	Qatar	100	100
Salam Petroleum Services W.L.L.	Trading in chemical materials and maintenance of oil equipment	Qatar	100	100
Gulf steel and Engineering W.L.L.	Steel works	Qatar	100	100
International Trading and Contracting Company W.L.L.	Civil contracting	Qatar	100	100
Salam Enterprises Company W.L.L.	Furniture trading and contracting	Qatar	100	100
Salam Industries W.L.L.	Furniture and Interior works	Qatar	100	100
Alu Nasa Company W.L.L. (ii)	Aluminum works	Qatar	100	100
Qatar Transformers Company W.L.L. (v)	Manufacture of transformers	Qatar	-	100
Salam Hospitality W.L.L.	Restaurants and bakeries management	Qatar	100	100
Gulf Industries for Refrigeration and Catering Company W.L.L.	Trading and maintenance of refrigerators, water coolers and air conditioners	Qatar	100	100
Holmsglen Qatar W.L.L. (ii)	Consulting and managerial studies	Qatar	98	98
Salam Bounian Development Company P.Q.S.C. (c)	Real estate	Qatar	70.92	70.81
Gulf Facility Management W.L.L. (ii)	Facility management	Qatar	70.92	70.81
Salam Enterprises L.L.C. (i)	Trading in water equipment	Qatar	100	100
Mafan Al Rasam Trading Company L.L.C.(i) (b) (KSA)	Interior design	KSA	80	80
Modern Decoration Company L.L.C.(i)	Furniture and interiors manufacturing	UAE	100	100
Alu Nasa Aluminium Industry L.L.C. (i)	Aluminium works	UAE	100	100
Salam Group W.L.L.	Luxury Retail trading - intermediary holding company	Qatar	100	100

## 34 Subsidiaries (continued)

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

Name of subsidiary	Principal activities	Country of incorporation	Ownership interest (%)	
			2022	2021
Salam Studio and Stores W.L.L. – Doha	Retail and wholesale of luxury consumer products	Qatar	100	100
Salam Studio and Stores L.L.C. – Dubai (i)	Retail and wholesale of luxury consumer products	UAE	100	100
Salam Studio and Stores W.L.L. – Muscat (iii)	Retail of luxury consumer products	Oman	100	100
Salam Arabia Trading Establishment – Kuwait (v)	General trading	Kuwait	-	100
Salam Trading Enterprises – Jordan (v)	Luxury Fashion retail	Jordan	-	100
Salam Enterprise Company – Bahrain (iv)	Furniture trading	Bahrain	80	80
Salam Amwal Holding S.A.L.	Investments	Lebanon	100	100
Salam Globex W.L.L.	Marketing and offices facilities	Qatar	100	100
Prevent and Protect W.L.L. – Qatar	Oil and gas services	Qatar	100	100
Prevent and Protect L.L.C. – Oman	Oil and gas services	Oman	100	100
New Image Building Services Gulf States L.L.C.	Building and facilities management	Qatar	70.92	70.81
Blink Company W.L.L. (v)	Photography trading and related services	Qatar	-	60
Diversa S.R.L.	Trading in water equipment	Italy	100	100
Qatar Garden W.L.L.	Construction of soft and hard landscaping and supply of related materials	Qatar	100	100
Al-shamila Eco Studies and Energy Solution W.L.L.	Trading in equipment and rendering	Qatar	51	51
Amjad Company for Manufacture and printing Cardboard W.L.L. (b)	Manufacture of bowls and boxes of cardboard	Qatar	100	100
PC Deal Net W.L.L. (Qatar) (b)	Trading in IT equipment	Qatar	100	100
Cycure Technologies W.L.L. (b)	Information technology services	Qatar	76	76
I Telligent Technologies W.L.L. (b)	Trading in Computer Network and IT Consulting	Qatar	100	100
Atelier 21 L.L.C. (UAE)	Interior design	UAE	100	100
Salam Security Systems and Services O.P.C	Installation, Operation and maintenance of cameras and security surveillance	Qatar	100	100
Meta Coat W.L.L.	Aluminum and powder coating services	Qatar	100	-

**34 Subsidiaries (continued)**

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

- (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 beneficially 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 100% of the entity.
- (iv) The capital of these entities is registered in the name of a Bahraini national for the beneficial interest of the Group.
- (v) These Companies were liquidated during the year.

**(b) Acquisition of a subsidiary**

In January 2022, the Group acquired additional 49% of the shares and voting interests in Meta Coat W.L.L. ("Meta Coat"). As a result, the Group's equity interest in Meta Coat W.L.L. increased from 51% to 100%, granting it absolute control of Meta Coat W.L.L.

Included in the identifiable assets and liabilities acquired at the date of acquisition of Meta Coat W.L.L. are inputs (Factory and production facilities), production processes and organised workforce. The Group has determined that together the acquired inputs and processes significantly contribute to the ability to create revenue. The Group has concluded that the acquired set is a business.

*i. Consideration received*

The Group paid cash consideration of QR Nil to acquire additional 49% shares and the voting interests in Meta Coat W.L.L. as it was loss making entity. There are no other classes of considerations agreed or to be transferred between the parties.

*ii. Acquisition-related costs*

The Group incurred acquisition-related costs of QR Nil on legal fees and due diligence costs.

*iii. Fair value of identifiable assets acquired and liabilities assumed*

The following table summarises the recognised amounts of fair value of assets acquired, and liabilities assumed at the date of acquisition.

**34 Subsidiaries (continued)****(b) Acquisition of a subsidiary (continued)***iii. Fair value of Identifiable assets acquired and liabilities assumed (continued)*

	<b>2022</b>
Property and equipment	16,735,255
Cash and cash equivalents	64,395
Trade and other receivables	57,607
Due from related parties	4,100,000
Borrowings	(8,427,858)
Trade and other payables	(326,563)
Other liabilities	(908,849)
Employees' end of service benefits	(73,866)
<b>Fair value of total net identifiable assets acquired</b>	<b><u>11,220,121</u></b>

*iv. Loss arising on business combination*

Loss arising from the business acquisition has been recognised as follows:

	<b>2022</b>
Consideration transferred – pre-existing	11,220,121
Fair value of pre-existing interest in Meta Coat W.L.L.	-
Fair value of net identifiable assets acquired	(11,220,121)
<b>Net impact arising on business combination</b>	<b><u>-</u></b>

**(c) 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 2022, the Company purchased additional 57,796 shares (2021: 17,677 shares) in Salam Bounian Development Company P.Q.S.C. and reached Group's ownership to 70.92% from 70.81%. The details of the additional purchase with respective gain from purchase recognised in equity are as follows:

	<b>2022</b>	2021
Carrying amount of non-controlling interest acquired	816,314	692,201
Consideration paid to non-controlling interest acquired	(577,960)	(564,290)
<b>An increase in equity attributable to owners of the Group</b>	<b><u>238,354</u></b>	<b><u>127,911</u></b>



**35 Earnings per share**

Basic earnings per share amounts are calculated by dividing the profit 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.

	<b>2022</b>	2021 Restated
Profit for the year attributable to Owners of the Company	<u><b>60,232,742</b></u>	<u>61,792,365</u>
Adjusted weighted average number of outstanding shares	<u><b>1,143,145,870</b></u>	<u>1,143,145,870</u>
<b>Basic and diluted earnings per share</b>	<u><b>0.053</b></u>	<u>0.054</u>

**36 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 1,505,818 to the Social and Sports Development Fund of the State of Qatar. Last year, the Group 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 2019. There were no other outstanding as at 31 December 2021.

**37 Commitments and contingent liabilities**

	<b>2022</b>	2021
Letters of credit	<u><b>52,522,030</b></u>	<u>58,934,682</u>
Letters of guarantee	<u><b>239,692,435</b></u>	<u>333,982,759</u>

**38 Operating segments****I. Basis for segmentation**

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

The following summary describes the operations of each reportable segment.

<b>Reportable segments</b>	<b>Operations</b>
Contracting	Civil contracting, mechanical, plumbing and electrical contracting and related services
Energy and industry	Oil and gas services including trading in chemical materials and maintenance of oil equipment
Luxury retail	Retail and wholesale of luxury consumer products
Technology	Information technology and related infrastructure project
Real estate and investments	Real estate operation and investment

The Group's chief executive officer reviews the internal management reports of each division at least quarterly.

**II. Information about reportable segmentation**

Information related to each reportable segment is set out below. Segment profit (loss) before tax is used to measure performance because management believes that this information is the most relevant in evaluating the results of the respective segments relative to other entities that operate in the same industries.

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38. Operating segments (continued)

a) In terms of operating sectors

2022	Contracting	Energy and industry	Luxury retail	Technology	Real estate and investments	Total
External revenue	305,367,365	300,471,128	631,374,031	211,267,035	142,757,470	1,591,237,029
Inter-segment revenue	16,512,786	11,141,537	3,692,330	2,445,649	60,842,325	94,634,627
<b>Segment revenue</b>	<b>321,880,151</b>	<b>311,612,665</b>	<b>635,066,361</b>	<b>213,712,684</b>	<b>203,599,795</b>	<b>1,685,871,656</b>
<b>Segment profit / (loss)</b>	<b>(9,076,169)</b>	<b>3,060,988</b>	<b>70,305</b>	<b>8,141,180</b>	<b>78,277,271</b>	<b>80,473,575</b>
Interest and dividend income	-	6,718	-	3,188	8,208,142	8,218,048
Interest expense	1,129,895	7,299,056	18,069,498	5,574,513	93,572,810	125,645,772
Depreciation and amortisation	9,613,448	19,995,632	35,931,890	1,254,089	14,111,070	80,906,129
Share of result of equity accounted investees	-	-	7,596,493	1,551,333	6,943,412	16,091,238
Other material items of income and expenses and non-cash items:						
- Impairment losses on trade receivables and contract assets	8,677,212	(1,623,040)	3,487,688	4,144,799	15,917,694	30,604,353
- Impairment losses on non-financial assets	-	-	-	-	15,178,083	15,178,083
<b>Segment assets</b>	<b>292,381,190</b>	<b>287,015,140</b>	<b>521,547,401</b>	<b>364,171,051</b>	<b>3,174,268,297</b>	<b>4,639,383,079</b>
Equity-accounted investees	-	-	63,974,867	5,326,159	143,382,457	212,683,483
Capital expenditure:						
- Tangible assets	10,337,755	23,703,501	10,539,208	782,281	13,159,364	58,522,109
- Intangible assets	-	-	34,521	-	-	34,521
<b>Segment liabilities</b>	<b>196,556,060</b>	<b>123,229,222</b>	<b>393,005,326</b>	<b>157,602,577</b>	<b>2,099,747,572</b>	<b>2,970,140,757</b>

**38. Operating segments (continued)**

## a) In terms of operating sectors (continued)

2021 (Restated)	Contracting	Energy and industry	Luxury retail	Technology	Real estate and investments	Total *Restated
External revenue	339,915,275	255,147,579	594,141,764	235,622,490	129,487,703	1,554,314,811
Inter-segment revenue	3,944,488	10,614,396	3,646,705	4,849,752	57,377,804	80,433,145
Segment revenue	343,859,763	265,761,975	597,788,469	240,472,242	186,865,507	1,634,747,956
Segment profit / (loss)	400,236	607,241	(7,780,947)	6,525,957	69,493,448	69,245,935
Interest income		12,222	11,832	2,360	8,013,025	8,039,439
Interest expense	(1,365,204)	(5,163,714)	(18,054,838)	(8,680,537)	(85,560,141)	(118,824,434)
Depreciation and amortisation	(8,031,795)	(10,968,325)	(42,628,148)	(1,200,491)	(13,339,628)	(76,168,387)
Share of profit / (loss) of equity accounted investees	-	-	9,738,874	-	2,703,770	12,442,644
Other material items of income and expenses and non-cash items:						
- Impairment losses on trade receivables and contract assets	(4,211,692)	6,499,360	(5,068,635)	601,044	12,904,035	10,724,112
Segment assets	307,735,511	313,023,186	507,906,043	427,744,088	3,182,052,639	4,738,461,467
Equity-accounted investees						
Capital expenditure:						
- Tangible assets	1,482,633	5,722,017	13,206,776	388,075	8,665,703	29,465,204
- Intangible assets	48,837	-	66,837	1,435,200	27,950	1,578,824
Segment liabilities	228,760,072	240,808,872	407,152,066	246,795,508	2,026,646,507	3,150,163,025

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**38. Operating segments (continued)**

b) In terms of geographic locations

	2022				2021			Total *Restated
	Qatar	United Arab Emirates	Others	Total	Qatar	United Arab Emirates	Others	
External revenue	1,375,765,551	161,394,799	54,076,679	1,591,237,029	1,348,646,306	152,468,672	53,199,833	1,554,314,811
Inter-segment revenue	80,269,128	634,956	13,730,543	94,634,627	77,278,042	771,733	2,383,370	80,433,145
<b>Segment revenue</b>	<b>1,456,034,679</b>	<b>162,029,755</b>	<b>67,807,222</b>	<b>1,685,871,656</b>	<b>1,425,924,348</b>	<b>153,240,405</b>	<b>55,583,203</b>	<b>1,634,747,956</b>
<b>Segment profit</b>	<b>55,258,342</b>	<b>21,899,023</b>	<b>3,316,210</b>	<b>80,473,575</b>	<b>51,302,628</b>	<b>15,996,223</b>	<b>1,947,084</b>	<b>69,245,935</b>
<b>Segment assets</b>	<b>3,839,375,655</b>	<b>470,236,173</b>	<b>329,771,251</b>	<b>4,639,383,079</b>	<b>3,902,817,410</b>	<b>500,025,506</b>	<b>335,618,551</b>	<b>4,738,461,467</b>
Equity-accounted investees								
Capital expenditure:								
- Tangible assets	58,484,957	37,152	-	58,522,109	29,002,736	462,468	-	29,465,204
- Intangible assets	34,521	-	-	34,521	1,542,190	36,634	-	1,578,824
<b>Segment liabilities</b>	<b>2,849,064,579</b>	<b>77,860,113</b>	<b>43,216,065</b>	<b>2,970,140,757</b>	<b>3,072,251,318</b>	<b>51,759,839</b>	<b>26,151,868</b>	<b>3,150,163,025</b>

**39 Financial instruments – fair values and risk management****A. Accounting classifications and fair values**

The Group's financial assets (trade and other receivables, retention receivables, due from related parties, loans to associate companies, and cash at bank) and financial liabilities (credit facilities, retention payable and trade and other payables) are measured at amortised cost and not at fair value. Management believes that the carrying values of these financial assets and financial liabilities as at the reporting date are a reasonable approximation of their fair values.

The following table shows the carrying amounts and fair values of financial assets, including their fair value hierarchy. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

**As at 31 December 2022**

	Carrying amount	Fair value		
		Level 1	Level 2	Level 3
<b>Investment securities – FVOCI</b>				
Quoted equity securities	30,522,405	30,522,405	-	-
Unquoted equity securities	56,577,060	-	-	56,577,060
	<b>87,099,465</b>	<b>30,522,405</b>		<b>56,577,060</b>

**As at 31 December 2021**

	Carrying amount	Fair value		
		Level 1	Level 2	Level 3
<b>Investment securities – FVOCI</b>				
Quoted equity securities	38,521,131	38,521,131	-	-
Unquoted equity securities	70,020,831	-	-	70,020,831
	<b>108,541,962</b>	<b>38,521,131</b>		<b>70,020,831</b>

**39 Financial instruments – fair values and risk management (continued)****B. Measurement of fair values**

The following tables show the valuation techniques used in measuring Level 2 and Level 3 fair values for financial instruments in the statement of financial position, as well as the significant unobservable inputs used.

Valuation technique	Significant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value measurement
<b><u>Market approach</u></b>		
The transaction price of an investment in an unquoted equity instrument, which is identical to the investment being valued and made close to the measurement date, might be a reasonable starting point for measuring fair value at the measurement date.	Not applicable	Not applicable
<b><u>Adjusted net asset method</u></b>		
This valuation model considers the fair value of the investee's assets and liabilities (both recognised in the statement of financial position and unrecognised).	Expected fair value of the assets and liabilities.	The estimated fair value would increase / (decrease) if the adjusted net assets were higher / (lower).
The unquoted equity securities that are carried at adjusted net assets value are valued on the basis of financial statements available.		
The management assessed that fair value considered for unquoted equity securities on the basis of adjusted net assets is appropriate as these investee's value are mainly derived from the holding of assets rather the deploying the assets.		

**Sensitivity analysis**

For the fair valuation of unquoted equity securities that are carried at adjusted net assets value, reasonably possible changes at the reporting date to the significant unobservable input would have the following effect on other comprehensive income.

	Increase	Decrease
31 December 2022		
Adjusted net assets (5% movement)	<u>2,828,853</u>	<u>(2,828,853)</u>
31 December 2021		
Adjusted net assets (5% movement)	<u>3,501,042</u>	<u>(3,501,042)</u>

**39 Financial instruments – fair values and risk management (continued)****C. Financial risk management****I. Credit risk**

The Group's maximum exposure to credit risk at the reporting date is the carrying amount of its financial assets, which are the following:

	<b>2022</b>	2021 Restated
<b>Financial assets</b>		
Loans to associate companies	23,842,487	23,281,161
Accrued income	28,270,096	23,931,110
Due from related parties	307,387,877	288,615,500
Retention receivables	128,601,126	156,911,528
Trade and other receivables	703,283,294	572,736,491
Bank balances	90,320,689	153,402,778
<b>Contract assets</b>	147,232,054	373,228,401
	<b><u>1,428,937,623</u></b>	<b><u>1,592,106,969</u></b>

Allowance for impairment losses on financial assets and contract assets recognised in consolidated profit or loss statement were as follows:

	<b>2022</b>	2021
Allowance for impairment loss on trade receivables (Note 20)	14,286,061	596,604
Allowance for impairment loss on due from related parties ((Note 18(d))	8,542,659	18,013,234
Allowance for impairment loss on retention receivables reversed (Note 15(I))	125,000	(3,446,634)
Allowance for impairment loss on contract assets reversed (Note 19)	(4,618,792)	(4,439,092)
Allowance for impairment of pre-existing interest in associate	12,269,425	-
	<b><u>30,604,353</u></b>	<b><u>10,724,112</u></b>

The movement in allowance for impairment loss of financial assets and contract assets are as follows:

	<b>2022</b>	2021
Balance at 1 January	324,294,198	348,988,155
Allowance during the year	30,604,353	10,724,112
Transfer during the year	140,000	(30,523)
Write-off of pre-existing interest in associate	(12,269,425)	-
Write-offs during the year	(34,382,241)	(35,387,546)
<b>Balance at 31 December</b>	<b><u>308,386,885</u></b>	<b><u>324,294,198</u></b>

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.



**39 Financial instruments – fair values and risk management (continued)****C. Financial risk management (continued)****I. Credit risk (continued)**

The following table provides information about the exposure to credit risk and ECLs for due from related parties, retention receivables, contract assets and trade and other receivables.

<b>31 December 2022</b>	<b>Weighted average loss rate</b>	<b>Gross carrying amount</b>	<b>Loss allowance</b>	<b>Credit impaired</b>
Current (not paste due)	6.97%	311,170,688	21,687,352	No
1-60 days	23.27%	137,151,556	31,920,653	No
61-120 days	35.24%	29,020,131	10,227,556	No
121-365 days	18.84%	496,588,712	93,546,831	No
365-730 days	36.35%	105,091,159	38,203,579	No
More than 730 days	53.37%	207,482,105	112,800,914	Yes
		<b><u>1,286,504,351</u></b>	<b><u>308,386,885</u></b>	
<b>31 December 2021 (Restated)</b>	<b>Weighted average loss rate</b>	<b>Gross carrying amount</b>	<b>Loss allowance</b>	<b>Credit impaired</b>
Current (not paste due)	6.60%	146,078,537	9,634,909	No
1-60 days	21.55%	175,291,651	37,772,406	No
61-120 days	33.79%	44,100,653	14,901,611	No
121-365 days	15.92%	717,723,786	114,259,649	No
365-730 days	35.64%	121,503,522	43,307,906	No
More than 730 days	55.90%	186,793,771	104,417,717	Yes
		<b><u>1,391,491,920</u></b>	<b><u>324,294,198</u></b>	

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 bank balances of QR 90,320,689 at 31 December 2022 (2021: QR 153,402,778). 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.

**Guarantees**

The Group's policy is to provide financial guarantees only for liabilities relating to certain subsidiaries. At 31 December 2022, the Company has issued a guarantee to certain banks in respect of credit facilities granted to its subsidiaries.

**39 Financial instruments – fair values and risk management (continued)****C. Financial risk management (continued)****II. Liquidity risk**

The following are the contractual maturities of financial liabilities and lease liabilities at the reporting date. The amounts are gross and undiscounted and exclude the impact of netting agreements:

31 December 2022	Carrying amount	Less than 1 year	Contractual cash flow		Total
			1 to 5 years	Above 5 years	
Borrowings	2,287,009,323	394,904,352	808,474,493	2,570,320,268	3,773,699,113
Retention payables	15,216,916	11,487,375	3,729,541	-	15,216,916
Other liabilities*	110,919,365	110,919,365	-	-	110,919,365
Due to related parties	1,424,632	1,424,632	-	-	1,424,632
Bank overdrafts	80,096,310	80,096,310	-	-	80,096,310
Notes payable	8,714,107	7,614,107	1,100,000	-	8,714,107
Trade payables	199,660,310	199,660,310	-	-	199,660,310
Lease liabilities	79,113,612	16,147,220	50,672,317	42,783,160	109,602,697
	<b>2,782,154,575</b>	<b>822,253,671</b>	<b>863,976,351</b>	<b>2,613,103,428</b>	<b>4,299,333,450</b>

31 December 2021 (Restated)	Carrying amount	Less than 1 year	Contractual cash flow		Total
			1 to 5 years	Above 5 years	
Borrowings	2,398,040,189	328,109,137	861,793,041	1,874,934,986	3,064,837,164
Retention payables	14,753,591	14,753,591	7,261,067	-	22,014,658
Other liabilities*	152,415,847	152,415,847	-	-	152,415,847
Due to related parties	5,107,568	5,107,568	-	-	5,107,568
Bank overdrafts	50,593,729	50,593,729	-	-	50,593,729
Notes payable	8,408,773	6,569,643	1,839,130	-	8,408,773
Trade and other payables	192,872,761	192,872,761	-	-	192,872,761
Lease liabilities	79,250,248	16,308,355	49,085,762	45,758,958	111,153,075
	<b>2,901,442,706</b>	<b>766,730,631</b>	<b>919,979,000</b>	<b>1,920,693,944</b>	<b>3,607,403,575</b>

\* Excluding provision for completed jobs

**III. 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:

*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.

## 39 Financial instruments – fair values and risk management (continued)

## C. Financial risk management (continued)

## III. Market risk (continued)

*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 3,052,241 (2021: QR 3,852,113) 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 3,052,241 (2021: QR 3,852,113).

*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.

	<b>Carrying amount</b>	
	<b>2022</b>	2021
<b>Non-interest bearing instruments</b>		
Bank balances	<b>78,222,094</b>	104,590,390
<b>Fixed rate instruments</b>		
Bank loans	<b>(11,967,049)</b>	(60,271,320)
Average interest rate (per annum)	<b>1.5%-4.5%</b>	2.9%-5.25%
<b>Variable rate instruments</b>		
Bank balances	<b>12,098,595</b>	48,812,388
Bank loans	<b>(2,275,042,274)</b>	(2,337,768,869)
Bank overdrafts	<b>(80,096,310)</b>	(50,593,729)
	<b>(2,343,039,989)</b>	(2,339,550,210)
Average interest rate (per annum)	<b>2.9%-5%</b>	1.5%-4.5%

*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 2022.

	<b>Profit (loss)</b>		<b>Profit (loss)</b>	
	<b>31 December 2022</b>		<b>31 December 2021</b>	
	<b>50 bps Increase</b>	<b>50 bps Decrease</b>	<b>50 bps Increase</b>	<b>50 bps Decrease</b>
Variable rate financial liabilities	<b>(11,715,200)</b>	<b>11,715,200</b>	(11,697,751)	11,697,751

### 39 Financial instruments – fair values and risk management (continued)

#### C. Financial risk management (continued)

##### III. Market risk (continued)

###### *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.

###### **Fair values**

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

### 40 Comparative figures

#### Restatement of comparative figures

During the year, the Group identified following accounting errors in the previous years consolidated financial statements.

- Lease liabilities and right of use assets for leases of certain properties and equipment had been erroneously calculated from 1 January 2019, the effective date of application of IFRS 16, 'Leases'. Further, the Group erroneously capitalized depreciation on right of use assets and interest on lease liability for a land. As a consequence, lease liabilities, right-of-use assets and related expenses as at 1 January 2021 and 31 December 2021 have been misstated.
- Contract revenue had been erroneously recognized in the prior years based on unapproved variations and claims and related estimated cost. As a consequence, contract revenue and related expenses, assets, liabilities and accumulated losses as at 1 January 2021 and 31 December 2021 have been misstated.
- The Group has interest in certain associates in the form of equity investment and financing provided to these associates. In the prior years, the amount of share of losses had exceeded the carrying amount of these investments, and all excess losses were being allocated to a separate provision account under other liabilities. However, no losses were being allocated towards the financing provided to the associate in the form of expected credit losses. As a consequence, share of profit/loss of equity accounted investees, due from related parties and other liabilities as at 1 January 2021 and 31 December 2021 have been misstated. To rectify this position in accordance with the requirements of IAS 28, an expected credit loss has to be first be recognised on the due from related parties and only the balance amount of share of losses from these associates should be reserved for separately under other liabilities, to the extent of continuing involvement and obligation of the Group with its associates.
- Certain equity accounted investees which were previously erroneously classified as investment in associates are now reclassified as investment in joint ventures. These do not have any impact on the consolidated financial statements.

The above errors have been corrected by restating each of the affected consolidated financial statement items for the prior periods. Moreover, certain other comparative figures in the prior periods have been regrouped to conform to the presentation in the current year's consolidated financial statements. However, such regrouping does not have any effect on the net income, net assets and equity of the previous year.

The following tables summarise the impacts on the Group's consolidated financial statements.

## 40 Comparative figures (continued)

The impact of the restatement as at 1 January 2021 is as follows:

Consolidated statement of financial position	As previously reported	Adjustment to correct error	Restated
<i>Non-current assets</i>			
Property and equipment	326,865,100	(9,946,393)	316,918,707
Right-of-use assets	77,008,763	(3,162,600)	73,846,163
	<u>403,873,863</u>	<u>(13,108,993)</u>	<u>390,764,870</u>
<i>Current assets</i>			
Due from related parties	196,025,536	(21,014,784)	175,010,752
Contract assets	576,487,822	(172,368,060)	404,119,762
Other assets	135,548,649	(3,658,288)	131,890,361
	<u>908,062,007</u>	<u>(197,041,132)</u>	<u>711,020,875</u>
<i>Non-current liabilities</i>			
Lease liabilities	63,644,435	(8,734,535)	54,909,900
	<u>63,644,435</u>	<u>(8,734,535)</u>	<u>54,909,900</u>
<i>Current liabilities</i>			
Lease liabilities	19,089,203	(388,251)	18,700,952
Contract liabilities	33,905,235	8,134,482	42,039,717
Other liabilities	228,558,551	(13,285,721)	215,272,830
	<u>281,552,989</u>	<u>(5,539,490)</u>	<u>276,013,499</u>
<i>Equity</i>			
Accumulated losses	(68,695,259)	(195,876,100)	(264,571,359)

The impact of the restatement as at 31 December 2021 is as follows:

Consolidated statement of financial position	As previously reported	Adjustment to correct error	Restated
<i>Non-current assets</i>			
Property and equipment	296,085,315	(12,072,919)	284,012,396
Right-of-use assets	89,660,335	(8,244,742)	81,415,593
	<u>385,745,650</u>	<u>(20,317,661)</u>	<u>365,427,989</u>
<i>Current assets</i>			
Due from related parties	252,071,586	(34,256,480)	217,815,106
Contract assets	515,439,268	(158,668,962)	356,770,306
Other assets	161,368,150	(4,063,859)	157,304,291
	<u>928,879,004</u>	<u>(196,989,301)</u>	<u>731,889,703</u>
<i>Non - Current liabilities</i>			
Lease liabilities	82,332,107	(13,949,177)	68,382,930
	<u>82,332,107</u>	<u>(13,949,177)</u>	<u>68,382,930</u>
<i>Current liabilities</i>			
Lease liabilities	11,170,156	(302,838)	10,867,318
Contract liabilities	38,624,169	12,591,183	51,215,352
Other liabilities	200,927,322	(29,926,300)	171,001,022
	<u>250,721,647</u>	<u>(17,637,955)</u>	<u>233,083,692</u>
<i>Equity</i>			
Accumulated losses	(29,062,346)	(185,719,830)	(214,782,176)

## 40 Comparative figures (continued)

Restatement of comparative figures (continued)

The impact of the restatement for the year ended 31 December 2021 is as follows:

<b>Consolidated statement of profit or loss</b>	<b>As previously reported</b>	<b>Adjustment to correct error</b>	<b>Restated</b>
Revenue from contract with customers	1,436,578,238	9,242,398	1,445,820,636
Real estate revenue	96,657,110	11,837,065	108,494,175
	<u>1,533,235,348</u>	<u>21,079,463</u>	<u>1,554,314,811</u>
Operating cost	(1,135,820,495)	(1,485,101)	(1,137,305,596)
Other general and administrative expenses	(322,545,439)	3,348,586	(319,196,853)
Allowance for impairment of financial assets and contract assets	6,537,745	(17,261,857)	(10,724,112)
Finance income	2,480,139	5,559,300	8,039,439
Finance cost	(104,608,165)	(949,613)	(105,557,778)
Share of profit of equity accounted investees, net of tax	740,087	11,702,557	12,442,644
Other income	48,680,521	(11,837,065)	36,843,456
	<u>(1,504,535,607)</u>	<u>(10,923,193)</u>	<u>(1,515,458,800)</u>
Profit	<u>59,089,665</u>	<u>10,156,270</u>	<u>69,245,935</u>
<b>Statement of cash flows</b>	<b>As previously reported</b>	<b>Adjustment to correct error</b>	<b>Restated</b>
Net cash from operating activities	327,645,887	(286,747)	327,359,140
Net cash used in investing activities	12,270,171	(69,610)	12,200,561
Net cash from financing activities	(443,727,350)	356,357	(443,370,993)
Net increase in cash and cash equivalents	<u>(103,811,292)</u>	<u>-</u>	<u>(103,811,292)</u>