Qatar Electronic Systems Company W.L.L (Techno Q)

Combined Financial Statements

31 December 2022

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Report to the partners of Qatar Electronic System Company W.L.L. (Techno Q) on conclusion of Agreed – Upon Procedures with respect to combined financial statements of Qatar Electronic System Company W.L.L. (Techno Q)

We have performed the procedures agreed with you and enumerated below with respect to the combined financial statements of Techno Q Group (the “Group”). Our engagement was undertaken in accordance with the International Standards on Related Services No.4400 Engagements to Perform Agreed – Upon Procedures Regarding Financial information. The procedures were performed solely to assist you in agreed combined statements of financial position of the group as of 31 December 2022 and the combined statements of comprehensive income, combined statements of changes in the equity and combined statements of cash flows for the year then ended and notes to the combined financial statements including summary of significant accounting policies.

The procedures are summarised as follow:

1. We agreed the accompanying combined statement of the financial position of the group as of 31 December 2022 and the related combined statement of comprehensive income, combined of changes in the equity and combined statements of cash flows for the year then ended and related notes from 1 to 29 to the amounts in the combination schedule prepared by the Group and from there to the respective financial statements of the related companies included in the combinations.

2. We checked the preparation process of the combined financial statements to ensure that the combination principals as set out in Note 2 to the combined financial statements have been properly applied by the Group.

3. We checked the financial statements of the related companies included in the combination to determine whether these financial statements have been audited.

   We have reported our findings as follows:

a) With respect to item 1, we found that the amounts and balances in the accompanying combined financial statements agree with the combination schedules and the latter agree with the respective amounts in the financial statements of the related companies included in the combinations.

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Report to the partners of Qatar Electronic System Company W.L.L. (Techno Q) on conclusion of Agreed – Upon Procedures with respect to combined financial statements of Qatar Electronic System Company W.L.L. (Techno Q) (continued)

b) With respect to item 2, we found that the combined financial statements are prepared in accordance with the combination principles set out in Note 2 to the combined financial statements.

c) With respect to item 3, we found that all the related companies included in the combined financial statements have been audited.

Because the above procedures do not constitute either an audit or a review made in accordance with the International Standards of Auditing or International Standards of Review Engagements, we do not express any assurance on the combined financial statements of the group as of and for the year ended 31 December 2022.

Had we performed additional procedures, or had we performed an audit or review of the combined financial statements in accordance with International Standards on Auditing or International Standard on Review Engagements, other matters might have come to our attention that would have been reported to you.

Our report is solely for the purpose set forth in the first paragraph of this report and for your information and is not to be used for any other purpose or to be distributed to any other parties.

In performing the Agreed – Upon Procedures engagements, we complied with the ethical requirements in the Code of Ethics for Professional Accountants issued by the International Ethics Standards Boards for Accountants (IESBA).

KPMG applies International Standards on Quality Control 1, Quality Control for firms that perform audits and reviews of financial statements and other assurance and related services engagements and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

15 June 2023
Doha
State of Qatar

Yacoub Hobeika
KPMG
Qatar Auditor's Registry No. 289

KPMG
P.O.Box :4473
Doha - Qatar

Combined Statement Of Financial Position
As at 31 December 2022

In Qatari Riyals

	Note	2022	2021 (Restated)
ASSETS			
Property, equipment, and right-of-use Assets	5	6,552,752	3,191,396
Intangible Assets	6	1,102,884	-
Investment in a subsidiary	7	918,351	918,351
Equity-accounted investees	8	-	390,000
Non-current assets		8,573,987	4,499,747
Inventories	9	25,318,492	19,802,949
Trade receivable and prepayments	10	233,628,247	197,503,110
Due from related parties	19(a)	3,350,063	2,481,711
Cash and bank balances	11	55,186,766	69,760,289
Current assets		317,483,568	289,548,059
TOTAL ASSETS		**326,057,555**	294,047,806
EQUITY			
Share capital	12	6,000,000	6,000,000
Capital Contribution		732,151	-
Legal reserve	14	3,000,000	3,000,000
Retained earnings		100,478,881	77,311,209
Total equity		110,211,032	86,311,209
LIABILITIES			
Lease Liabilities	16	2,193,906	20,514
Borrowings	15	10,840,427	18,973,009
Employees' end of service benefits	17	6,345,186	5,511,363
Non-current liability		19,379,519	24,504,886
Borrowings	15	15,851,620	15,717,736
Lease Liabilities	16	1,900,506	260,630
Trade and other payables	18	177,110,312	165,093,227
Due to related parties	19(b)	1,604,566	2,160,118
Total current liabilities		196,467,004	183,231,711
Total liabilities		215,846,523	207,736,597
TOTAL EQUITY AND LIABILITIES		**326,057,555**	294,047,806

These combined financial statements were approved by the management and signed on their behalf by the following on:

Zeyad Al Jaidah
Managing Director

Abdullah Alansari
Executive Director

الشركة القطرية للأنظمة الالكترونية
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The notes on pages 7 to 35 are an integral part of these combined financial statements.

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Qatar Electronic Systems Company W.L.L (Techno Q)

Combined Statement of Comprehensive Income
For the year Ended 31 December 2022

In Qatari Riyals

	Note	2022	2021(Restated)
Revenue	21	330,915,635	196,588,865
Direct Costs	22	(257,493,692)	(140,373,421)
Gross profit		**73,421,943**	56,215,444
Other income		8,295,309	4,428,163
General and administrative expenses	23	(42,282,631)	(32,711,759)
Selling and distribution expenses	24	(4,268,335)	(4,444,543)
Finance costs	25	(1,546,770)	(2,608,349)
Profit for the year		**33,619,516**	20,878,956
Other comprehensive income		-	-
Total comprehensive income		**33,619,516**	20,878,956

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Qatar Electronic Systems Company W.L.L (Techno Q)

Combined Statement of Changes in Equity
For the year ended 31 December 2022

In Qatari Riyals

	Share capital	Capital contribution (*)	Legal reserve	Retained earnings	Total
Balance at 1 January 2021	6,000,000	-	3,000,000	75,868,086	84,868,086
Total comprehensive income					
Profit for the year	-	-	-	20,878,956	20,878,956
Other comprehensive income	-	-	-	-	-
Total comprehensive income	-	-	-	20,878,956	20,878,956
Transactions with the owners:					
Dividends Paid (Note 13)	-	-	-	(18,235,833)	(18,235,833)
Zakat	-	-	-	(1,200,000)	(1,200,000)
Balance at 31 December 2021(Restated)	6,000,000	-	3,000,000	77,311,209	86,311,209
Balance at 1 January 2022	6,000,000	-	3,000,000	77,311,209	86,311,209
Capital contribution	-	732,151	-	-	732,151
Total comprehensive income					
Profit for the year	-	-	-	33,619,516	33,619,516
Other comprehensive income	-	-	-	-	-
Total comprehensive income	-	-	-	33,619,516	33,619,516
Transactions with the owners:					
Dividends Paid (Note 13)	-	-	-	(8,951,844)	(8,951,844)
Zakat	-	-	-	(1,500,000)	(1,500,000)
Balance at 31 December 2022	**6,000,000**	**732,151**	**3,000,000**	**100,478,881**	**110,211,032**

(*) Capital Contribution represent the amount transferred from the shareholders accounts during the year.

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Qatar Electronic Systems Company W.L.L (Techno Q)

Combined Statement of Cash Flows
For the year ended 31 December 2022

In Qatari Riyals

	Note	2022	2021(Restated)
Cash flow from operating activities			
Profit for the year		33,619,516	20,878,956
Adjustments for:			
- Depreciation including right-of-use assets charges	5	2,643,989	2,873,184
- Gain on disposal of furniture, fixture and equipment	5	-	(115,786)
- Provision for impairment of equity – accounted investees		390,000	-
- Reversal of allowance for expected credit losses		(5,094,652)	-
- Write off inventory during the year	9	(41,026)	(21,280)
- Provision for slow moving inventories	9	1,784,972	150,000
- Provision for impairment of receivables		1,690,832	-
- Provision for employees' end of service benefits	17	1,088,332	924,354
- Finance cost IFRS 16		223,294	65,962
- Finance cost loans	25	1,114,668	1,457,850
		37,419,925	26,213,240
Changes in:			
- Inventories		(7,259,489)	516,467
- Trade Receivables and other prepayments		(32,721,317)	(34,613,879)
- Due from related parties *		(629,689)	(5,245,260)
- Due to related party*		(62,064)	6,484,883
- Trade and other Payables		12,017,085	68,844,644
Cash generated from operating activities		8,764,451	62,200,095
Employees' end of service benefits paid	17	(254,509)	(536,090)
-Interest paid	25	(1,114,668)	(1,457,850)
Net cash generated from operating activities		**7,395,274**	60,206,155
Cash flow from investing activities			
Acquisition of Intangible Assets	6	(1,102,884)	-
Acquisition of property, plant and equipment	5	(569,633)	(2,741,325)
Net movement in advance for purchase land		-	7,927,560
Proceed from sale of furniture, fixtures and equipment	5	-	189,499
Net cash (used in) / from investing activities		**(1,672,517)**	5,375,734
Cash flow from financing activities			
Net movement in interest bearing loans and borrowings		(7,998,698)	746,041
Payment of principal portion of lease liabilities		(1,829,538)	(2,196,772)
Payment of principal portion of finance lease		(16,200)	(4,680)
Dividends paid		(8,951,844)	(18,235,833)
Owner Transactions- Zakat		(1,500,000)	(1,200,000)
Net cash used in financing activities		**(20,296,280)**	(20,891,244)
Net (decrease) / increase in cash and cash		**(14,573,523)**	44,690,645
Cash and cash equivalents at 1 January		69,760,289	25,069,644
Cash and cash equivalents at 31 December	11	**55,186,766**	69,760,289

Non-Cash Transactions:	**2022**	2021
*Capital Contribution	**732,151**	

The notes on pages 7 to 35 are an integral part of these combined financial statements.

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1. REPORTING ENTITY

Qatar Electronic Systems Company W.L.L. (Techno Q) (the "Company"), is a limited liability company registered in the State of Qatar under commercial registration no. 18116. The Company is engaged in designing, supplying and installation of audio-visual presentation, security, hospitality, IT infrastructure, lighting services, fire security system and control systems.The Company's registered office is located at P .0. Box 18860, Doha, State of Qatar.

Techno Q for Security Systems Co. W.L.L. (the "Company"), is a limited liability company registered in the State of Qatar under commercial registration no. 124712. The Company's registered office is located at P.O. Box 18860, Doha, State of Qatar.The Company is engaged in trading in cameras and security screening tools, trading in security and safety equipment, and installation, operation, and maintenance of cameras and security surveillance. The Company's registered office is located at P .0. Box 18860, Doha, State of Qatar.

The investment at subsidiaries are stated at cost and are not consolidated to these combined financial statements

2. BASIS OF PREPARATION

a) Statement of compliance

Changes to significant accounting policies are described in Note 3.

b) Basis of measurement

The financial statements included in the combined financial statements have been prepared using Group's accounting policies. The accounting policies used are the same as those used in the previous year.

These combined financial statements have been prepared under the historic cost convention.

c) Basis of combined financial statements

These combined financial statements comprise the financial statements of the following companies and investments

	Partnership	
	2022	2021
Qatar Electronic Systems Company W.L.L.	100%	100%
Techno Q for Security Systems Co. W.L.L.	100%	100%

Transactions eliminated on combinations

Inter- group balances and transactions and any unrealised gains arising from intra- group transactions are eliminated in preparing the combined financial statements.

d) Functional and presentation currency

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

e) Use of estimates and judgements

In preparing these combined financial statements, management has made judgments, estimates and assumptions 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.

2. BASIS OF PREPARATION (CONTINUED)

e) Use of estimates and judgements (continued)

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognized prospectively. In particular, information about significant areas of estimation uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amount recognised in the combined financial statements are described below:

Estimated stage of completion

Revenue is recognized over time based on the cost-to-cost method and the related costs are recognized in profit or loss when they are incurred.

Contract variations

Contract variations are recognized as revenues to the extent that it is probable that they will result in revenue which can be reliably measured. This requires the exercise of judgement by management based on prior experience, application of contract terms and relationship with the contract owners.

Useful lives of equipment and right of use asset

The management determines the estimated useful lives of its equipment to calculate 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. The future depreciation charge would be adjusted where the management believes the useful lives differ from previous estimates.

Impairment of trade and other receivables

The Group recognises loss allowances for ECLs on financial assets measured at amortised cost.

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.

Loss allowances for trade receivables are always measured at an amount equal to lifetime ECLs.

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 360 days past due.

Write-down of slow moving inventories

The Group's management determines the estimated amount of slow moving inventories. This estimate is based on the age of items in inventories and this provision is subject to change as a result of technical innovations and the usage of items.

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 payment is 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

2. BASIS OF PREPARATION (CONTINUED)

f) Standards, amendments and interpretations effective from 31 December 2022

The following amendments to existing standards have been applied by the Group in preparation of these combined financial statements. The below were effective from 1 January 2022:

- COVID-19-Related Rent Concessions beyond 30 June 2021(Amendments to IFRS 16).
- Onerous Contracts – Cost of Fulfilling a Contract (Amendments to IAS 37)
- Annual Improvements to IFRS Standards 2018-2020
- Property, Plant and Equipment: Proceeds before Intended Use (Amendments to IAS 16)
- Reference to the Conceptual Framework (Amendments to IFRS 3)

None of the above standards had a material impact on these combined financial statements.

g) New standards, amendments and interpretations issued but not yet effective

The forthcoming requirements of new Standard and amendments to existing Standards are applicable for future reporting periods. The Group will adopt these on annual periods beginning on or after the effective date.

Effective for year beginning 1 January 2023	- Classification of Liabilities as Current or Non-current (Amendments to IAS 1). - IFRS 17 Insurance Contracts and Amendments to IFRS 17. - Accounting Policies Disclosure (Amendments to IAS 1 and IFRS Practice Statement 2). - Definition of Accounting Estimates (Amendments to IAS. 8). - Deferred taxes on assets and liabilities arising from a single transaction (Amendments to IAS 12)
Effective date deferred indefinitely / available for optional adoption	- On sale or contribution of assets between an investor and its associate or joint venture (Amendments to IFRS 10, IAS 28).

The above amended standards and interpretations are not expected to have a significant impact on the Group’s financial statements.

3. SIGNIFICANT ACCOUNTING POLICIES

The following significant accounting policies have been consistently applied in the preparation of these combined financial statements.

a) Revenue

IFRS 15 "Revenue from Contracts with Customers" outlines a single comprehensive model of accounting for revenue arising from contracts with customers and supersedes current revenue recognition guidance found across several Standards and Interpretations within IFRS. It establishes a new five-step model that will apply to revenue arising from contracts with customers.

Step 1: Identify the contract(s) with a customer: A contract is defined as an agreement between two or more parties that create enforceable rights and obligations and sets out the criteria for each of those rights and obligations.

Step 2: Identify the performance obligations in the contract: A performance obligation in a contract is a promise to transfer a good or service to the customer that is distinct.

Step 3: Determine the transaction price: Transaction price is the amount of consideration to which the entity expects to be entitled to in exchange for transferring the promised goods and services to a customer, excluding amounts collected from third parties.

Step 4: Allocate the transaction price to the performance obligations in the contract: For a contract that has more than one performance obligation, the entity will allocate the transaction price to each performance obligation in an amount that depicts the consideration to which the entity expects to be entitled in exchange for satisfying each performance obligation.

Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation.
The Group satisfies a performance obligation and recognises revenue over time, if one of the following criteria is met:

- The customer simultaneously receives and consumes the benefits provided by the Group 's performance as the Group performs; or
- The Group 's performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or
-The Group 's performance does not create an asset with an alternative use to the Group and the entity has an enforceable right to payment for performance completed to date.

Trading in paints and building materials

For performance obligations where one of the above conditions are not met, revenue is recognised at the point in time at which the performance obligation is satisfied.

Sale of goods

The Group is engaged in designing, supplying and installation of audio-visual presentation, security, hospitality, IT infrastructure, lighting services, fire security system and control systems. Revenue is recognised at a point in time when control of the asset is transferred to the customer, generally on delivery of the goods. The Group recognises revenue from the sale of goods measured at the fair value of the consideration received.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

a) Revenue (continued)

Rendering of services

Revenue from rendering of services is recognised when the outcome of the transaction can be estimated reliably, by reference to the stage of completion of the transaction at the end of the reporting period.

Other income

Other income is recognized when the earning process is complete, and the flow of economic benefit is reasonably assured.

b) Expense recognition

Expenses are recognized in profit or loss when a decrease in future economic benefits related to a decrease in an asset or an increase of a liability has arisen and can be measured reliably.

An expense is recognized immediately in profit or loss when an expenditure produces no future economic benefits, or when, and to the extent that, future economic benefits do not qualify or cease to qualify for recognition in the statement of financial position as an asset, such as in the case of asset impairments.

c) Finance Costs

Finance costs comprise interest on borrowings. Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset, being an asset that necessarily takes a substantial period of time to get ready for its intended use or sale, are expensed in profit or loss using the effective interest method.

d) Property and equipment

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

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

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

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

Subsequent expenditure

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

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

d) Property and equipment (continued)

Depreciation

Depreciation is calculated to write off the cost of items of property, plant and equipment less their estimated residual values using the straight-line method over their estimated useful lives, and is generally recognised in profit or loss.

Estimated useful lives of property, plant and equipment are as follows:

Furniture, fixtures and equipment	5 Years
Motor vehicles	5 Years
Office equipment	5 Years
Leasehold improvements	5 Years

Depreciation method, residual value and useful lives of the equipment are reviewed at each reporting date and adjusted if appropriate.

e) Inventories

Inventories are valued at the lower of cost or net realisable value after writing down of any slow moving items. The cost of inventories is computed on a weighted average cost basis. Cost includes expenses incurred to bring the inventories to their present location and condition.

Net realisable value is the estimated selling price in the ordinary course of the business less the estimated cost necessary to make the sale. Write down for slow moving inventories is determined by the management on the basis of ageing and after considering the expiry dates of the items.

f) Investment in 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 investments in subsidiaries are recorded in these combined financial statements at cost less impairment losses if any.

On the loss of control, the Group derecognize s the carrying amount of the investment in subsidiary. Any surplus or deficit arising on the loss of control is recognized in profit or loss. If the Group retains any interest in the previous subsidiary, then such interest is measured at fair value at the date that control is lost. Subsequently it is accounted for as an investment in associates or as investment at FVOCI financial assets depending on the level of influence retained.

g) Capital work in progress

Capital work in progress comprises projects under construction and is carried at cost less impairment, if any. Capital work in progress is not depreciated. Once the construction of assets is completed and is put into use, they are capitalized to either the property, plant and equipment or the investment property depending on their use and depreciated accordingly.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

h) Equity-accounted investees

An equity-accounted investees is an entity in which the Company has significant influence and which is neither a subsidiary nor a joint arrangement.

The results and assets and liabilities of associate are incorporated in these financial statements using the equity method of accounting. Under the equity method, an investment in an equity-accounted investees is initially recognised in the statement of financial position at cost and adjusted here after to recognise the Company's share of the profit or loss and other comprehensive income of the equity-accounted investees. When the Company's share of losses of an associate exceeds the Company's interest in that equity-accounted investees (which includes any long-term interests that, in substance, form part of the Company's net investment in the associate), the Company discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Company has incurred legal or constructive obligations or made payments on behalf of the associate. An investment in an equity-accounted investees is accounted for using the equity method from the date on which the investee becomes an equity-accounted investees. On acquisition of the investment in an associate, any excess of the cost of the investment over the Company's share of the net fair value of the identifiable assets and liabilities of the investee is recognised as goodwill, which is included within the carrying amount of the investment. Any excess of the Company's share of the net fair value of the identifiable assets and liabilities over the cost of the investment, after reassessment, is recognised immediately in statement of profit or loss and other comprehensive income in the period in which the investment is acquired.

i) Foreign currencies

Transactions in foreign currencies are translated into Qatari Riyal at the exchange rate prevailing at the dates of the transactions. Monetary assets and monetary liabilities denominated in foreign currencies at the reporting date are translated at the exchange rates prevailing at that 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. Foreign currency differences are generally recognised in profit or loss. Non-monetary items that are measured based on historical cost in a foreign currency are not translated.

j) Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, current and call account balance with bank which has a maturity of less than three months. For the purpose of the statement of cash flows, cash and cash equivalents are shown net of bank overdraft.

k) Provisions

Provisions are recognized when the Group has an obligation (legal or constructive) arising from a past event and the costs to settle the obligation are able to be reliably measured.

l) Employees' end of service benefits

The Group provides end of service benefits to its employees. The entitlement to these benefits is usually based upon the employees' length of service and the completion of a minimum service period. It is calculated in accordance with Qatari Labour Law and paid upon resignation or termination. The expected costs of these are accrued over the period of employment. Management has estimated that the expected post-employment benefit obligation as at December 31,2021 based on the requirements of IAS 19 "Employee Benefits is not significantly different from the amount charged by the Group. The provision is reassessed by management at the end of each year, and any change in the provision for the employees' end of service benefits is recognized in profit or loss.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

m) Financial instruments

i) Recognition and initial measurement

Trade receivables and debt securities issued 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 principal and interest on the principal amount outstanding.

The Group does not have debt and equity investment.

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. This includes all derivative financial assets. 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;

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

m) Financial instruments (continued)

Non-derivative financial assets – measurement (continued)

ii) Classification and subsequent measurement (continued)

Financial assets – Business model assessment(continued):

- 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.

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.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

m) Financial instruments (continued)

Non-derivative financial assets – measurement (continued)

ii) Classification and subsequent measurement (continued)

Financial assets – Subsequent measurement and gains and losses:

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.

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.

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 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.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

m) Financial instruments (continued)

iii) Derecognition (continued)

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

Financial liabilities

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.

n) Impairment

Non-derivative financial assets

Financial instruments and contract assets

The Group recognises loss allowances for ECLs on:

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

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

- 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.

Loss allowances for trade receivables and contract assets are always measured at an amount equal to lifetime ECLs.

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 360 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).

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

n) Impairment (continued)

Non-derivative financial assets (continued)

Financial instruments and contract assets (continued)

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 780 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 statement of financial position

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

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

n) Impairment (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. For individual customers, the Group has a policy of writing off the gross carrying amount when the financial asset is 720 days past due based on historical experience of recoveries of similar assets.

For corporate customers, 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.

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.

o) Income tax

The Group is exempt from income tax based on the provisions of the Qatar Income Tax Law No. 24 of 2018.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

p) Leases

At inception of a contract, the Group assesses 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 a period of time in exchange for consideration.

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.

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.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

p) Leases (continued)

As a lessee (continued)

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.

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.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

p) Leases (continued)

As a lessor (continued)

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'.

4. FINANCIAL RISK AND CAPITAL MANAGEMENT

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

- Credit risk
- Liquidity risk
- Market risk

a) Financial risk management

i. Risk management framework

The Group's management has overall responsibility for the establishment and oversight of the Group's risk management framework and has the responsibility for developing and monitoring the Group's risk management policies.

ii. 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.

The Group seeks to limit its credit risk with respect to banks by only dealing with reputable banks and with respect to customers by setting credit limits and monitoring outstanding receivables

The maximum exposure to credit risk at the reporting date was:

	Note	**2022**	2021
Trade receivables	10	88,254,980	77,630,709
Due from related parties	19(a)	3,350,063	2,481,711
Bank balances	11	55,048,298	69,626,383
Retention Receivables	10	12,508,846	15,663,859
Accrued Revenue	10	78,187,934	63,758,912
Notes Receivable	10	6,723,199	3,969,195
		244,073,320	233,130,769

4. FINANCIAL RISK AND CAPITAL MANAGEMENT (CONTINUED)

ii. Credit risk (continued)

Trade and other receivables and due from related parties

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The demographics of the Group's customer base, including the default risk of the industry and country, in which customers operate, has less of an influence on credit risk. The Group's revenue is attributable to customers originating from within Qatar. There is no concentration on credit risk attributable to a single customer.

As at 31 December, the aging of trade receivables that were not impaired and the following table provides information about the exposure to credit risk and ECLs for trade receivables from customers as at 31 December 2022.

31 December 2022	Weighted average loss rate	Gross carrying amount	Loss allowance	Credit impaired
Trade Receivables:				
Neither past due	0%	42,136,900	-	-
30 – 60 days past due	4.70%	23,314,352	1,096,431	-
61 – 90 days past due	20.64%	1,988,755	410,533	-
More than 90 days past due	34.54%	14,869,610	5,136,601	-
Overdue	100%	5,945,363	5,945,363	-
Total		**88,254,980**	**12,588,928**	**-**

31 December 2021	Weighted average loss rate	Gross carrying amount	Loss allowance	Credit impaired
Trade Receivables:				
Neither past due	0%	30,915,181	-	-
30 – 60 days past due	9.05%	17,899,862	1,619,336	-
61 – 90 days past due	29.38%	1,761,374	517,409	-
More than 90 days past due	52.21%	27,054,292	14,125,355	-
Total		77,630,709	16,262,100	-

Loss rates are based on actual credit loss experience over the past three years. 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) and is continued to be positive.

4. FINANCIAL RISK AND CAPITAL MANAGEMENT (CONTINUED)

ii. Credit risk (continued)

Due from related parties

The maximum exposure to credit risk for certain amounts due from related parties at the reporting date was equal to the receivables amount disclosed in the combined statement of financial position. Management believes that, apart from in relation to those balances specifically provided for, there is limited credit risk from the receivable from related parties, because these counterparties are under the control and significant influence of the ultimate parent company, who is financially healthy.

Retention receivables

The Group limits its exposure to credit risk on retention receivables balances by following up for grace periods for completed contracts and retention receivables due dates, making specific provision whenever needed for any balances that is due and not collected.

Bank balance

The Group held cash and cash equivalents of QR 55,048,298 at 31 December 2022 (2021: QR 69,626,383). The cash and cash equivalents are held with bank and financial institution counterparties, which are rated AA3 to A3, based on [Rating Agency Moody] ratings.

Impairment on cash and cash equivalents 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.

iii. 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. Management ensures, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation. The Group maintains adequate reserves by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

The following are the contractual maturities of financial liabilities at the reporting date. The amount are gross and undiscounted and include estimated interest payments and exclude the impact of netting agreement, if any:

31 December 2022	**Carrying Amounts**	**Contractual cash flows**	**Less than 1 year**	**Above 1 year**
Non-derivative financial liabilities				
Borrowings	26,692,047	(26,692,047)	(15,851,620)	(10,840,427)
Trade and other payables	102,815,462	(102,815,462)	(102,815,462)	-
Lease Liability	4,094,412	(4,263,772)	(2,024,911)	(2,238,861)
Due to Related parties	1,604,566	(1,604,566)	(1,604,566)	-
	135,206,487	**(135,375,847)**	**(122,296,559)**	**(13,079,288)**

4. FINANCIAL RISK AND CAPITAL MANAGEMENT (CONTINUED)

iii. Liquidity risk (continued)

31 December 2021	Carrying Amounts	Less than 6 Months	Less than 1 year	Above 1 year
Non-derivative financial liabilities				
Borrowings	34,690,745	(34,690,745)	(15,717,736)	(18,973,009)
Trade and other payables	71,780,225	(71,780,225)	(71,780,225)	-
Lease Liability	281,144	(281,144)	(260,630)	(20,514)
Due to Related parties	2,160,118	(2,160,118)	(2,160,118)	-
	108,912,232	(108,912,232)	(89,918,709)	(18,993,523)

iv. Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates 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

Foreign exchange risk arises when future commercial transactions or recognised assets or liabilities are denominated in a currency that is not the Group's functional currency. As the US Dollar is pegged with the Qatari Riyal, the Group is not exposed to currency risk when it transacts in this currency. Management monitors the exchange rate fluctuations on a continuous basis and acts accordingly.

The Group 's exposure to foreign currency risk is mainly on balances payable in EURO and GBP. As the Qatari Riyal (QR) is pegged to the US Dollar, balances in USD are not considered to represent significant currency risks. The table below indicates the Group 's foreign currency exposure at 31 December, as a result of its monetary liabilities. The analysis calculates the effect of a reasonably possible increases of the QR currency rate against the EURO and GBP with all other variables held constant, on the statement of comprehensive income (due to the fair value of currency sensitive monetary liabilities).

The effect of decreases is expected to be equal and opposite to the effect of increases shown below:

	Increase in currency rates against QR	Effect on Profit QR
2022 Balances in Euro and GBP	**+10%**	**(10,491)**
2021 Balances in Euro and GBP	+10%	(1,919)

Equity price risk

Equity price risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), where those changes are caused by factors specific to the individual financial instrument or its issuer or factors affecting all similar financial instruments traded in the market. The Group is not exposed to equity price risk as it does not carry any equity price risk financial instruments.

4. FINANCIAL RISK AND CAPITAL MANAGEMENT (CONTINUED)

Interest rate risk

The Group has interest rate risk arising from interest bearing assets in the nature of bank deposits. Management monitors the interest rate fluctuations on a continuous basis and acts accordingly. The Group's financial liability that is subject to interest rate risk is as follows:

	2022	2021
Floating interest rate instruments		
Financial Liabilities	**26,692,047**	34,690,745

The following table demonstrates the sensitivity of the separate statement of comprehensive income to reasonably possible changes in interest rates by 25 basis points, with all other variables held constant. The sensitivity of the statement of comprehensive income is the effect of the assumed changes in interest rates for one year, based on the floating rate financial assets and financial liabilities held at 31 December 2022. The effect of decreases in interest rates is expected to be equal and opposite to the effect of the increases shown. There is no effect on equity.

	Changes in Basis Points	Effect on Profits in the Current Year
2022	**+25**	**667,301**
2021	+25	867,269

b) Capital management

The management policy is to maintain a strong capital base so as to maintain the shareholders, creditors and market confidence and to sustain future development of the business. The management monitors the return on capital, which the Group defines as profit for the year divided by total equity. There were no changes in the Group's approach to capital management during the year. The Group is not subject to any externally imposed capital requirements.

The Group manages its capital structure and makes adjustments to it in light of changes in business conditions. No changes were made in the objectives, policies or processes as of and during the years ended 31 December 2022 and 31 December 2021. Capital comprises share capital, retained earnings and legal reserve, and is measured at QR 110,211,032 (2021: QR 86,311,209).

In Qatari Riyals

5. Property, equipment, and right-of-use Assets

	Furniture and fixtures	Motor vehicle	Office Equipment	Leasehold Improvements	Right of Use Assets	Total
Cost						
Balance at 1 January 2021	5,012,233	1,605,500	5,672,654	4,252,126	6,030,289	22,572,802
Additions	38,487	2,014,581	313,716	374,541	367,279	3,108,604
Disposals	-	(1,007,000)	-	-	(2,584,987)	(3,591,987)
Balance at 31 December 2021	5,050,720	2,613,081	5,986,370	4,626,667	3,812,581	22,089,419
Balance at 1 January 2022	5,050,720	2,613,081	5,986,370	4,626,667	3,812,581	22,089,419
Additions	29,132	101,569	438,932	-	5,435,712	6,005,345
Disposals	-	-	-	-	(3,812,580)	(3,812,580)
Balance at 31 December 2022	**5,079,852**	**2,714,650**	**6,425,302**	**4,626,667**	**5,435,713**	**24,282,184**
Accumulated depreciation						
Balance as at 1 January 2021	4,958,422	1,280,177	5,008,626	4,171,566	4,124,321	19,543,112
Depreciation	28,105	433,888	330,556	56,124	2,024,511	2,873,184
Disposals	-	(933,286)	-	-	(2,584,987)	(3,518,273)
Balance at 31 December 2021	4,986,527	780,779	5,339,182	4,227,690	3,563,845	18,898,023
Balance as at 1 January 2022	4,986,527	780,779	5,339,182	4,227,690	3,563,845	18,898,023
Depreciation	32,135	496,663	336,334	91,257	1,687,600	2,643,989
Disposal	-	-	-	-	(3,812,580)	(3,812,580)
Balance at 31 December 2022	**5,018,662**	**1,277,442**	**5,675,516**	**4,318,947**	**1,438,865**	**17,729,432**
Carrying amounts						
At 31 December 2022	**61,190**	**1,437,208**	**749,786**	**307,720**	**3,996,848**	**6,552,752**
At 31 December 2021	64,193	1,832,302	647,188	398,977	248,736	3,191,396

6. INTANGIBLE ASSETS

* Intangible assets as at 31 December 2022, represents an Enterprise Resource Planning Software purchased by the company that is currently under development. The company does not have control over the ERP software as it is in the implementation phase as of 31 December 2022.

7. INVESTMENT IN A SUBSIDIARY

	% of Holding 2022	% of Holding 2021	**Country of origin**	**2022**	2021(Restated)
Qatar Electronic Systems Company (LLC) *	**98%**	98%	Oman	**918,351**	918,351

* During 2014, the Company obtained control of Qatar Electronic Systems Company LLC, by acquiring 19,600 new units of OMR 1 each, representing 98% of the subsidiary capital. The subsidiary company is involved in trading of household appliances. And the subsidiary is dormant and immaterial, so the company didn't prepare a consolidated financial statement.

8. EQUITY – ACCOUNTED INVESTEES

	% of Holding 2022	% of Holding 2021	**Country of origin**	**2022**	2021
Arab Switch Gear Factory W.L.L *	**30%**	30%	Qatar	390,000	390,000
Impairment of associate				(390,000)	-
				-	390,000

*Arab Switch Gear Factory W.L.L. is registered as a limited liability Company incorporated in the State of Qatar. The principal activity of the associate is to engage in production of main distribution boards, transferring and changing the electrical keys and control keys. During the year the management decided to impairment the full amount of the investment.

9. INVENTORIES

	2022	2021
Finished Goods	30,107,489	22,848,000
Less: Provision for slow moving inventories	(4,788,997)	(3,045,051)
	25,318,492	19,802,949

The Movement in the provision for slow moving inventories is as follows:

	2022	2021
At 1 January	3,045,051	2,916,331
Provision During the year	1,784,972	150,000
Write off During the year	(41,026)	(21,280)
At 31 December	**4,788,997**	3,045,051

10. TRADE RECEIVABLE AND PREPAYMENTS

	2022	2021
Trade receivables	88,254,980	77,630,709
Less: Allowance for expected credit losses	(12,588,928)	(16,262,100)
	75,666,052	61,368,609
Retention receivables	12,508,846	15,663,859
Accrued revenue	78,187,934	63,758,912
Contract assets *	33,283,446	24,287,702
Notes receivable	6,723,199	3,969,195
Advances to suppliers	26,829,413	27,771,151
Prepayments	58,609	68,809
Other receivables	370,748	614,873
	233,628,247	197,503,110

At 31 December 2022, trade accounts receivable amounting to QR 12,588,928 (2021: QR 16,262,100) were impaired.

The movement in the allowance for expected credit losses of trade accounts receivable is as follows:

	2022	2021
At 1 January	16,262,100	22,143,876
Provided during the year	1,690,832	-
Reclassification	-	(5,166,944)
Reversals	(5,094,652)	-
Write Off	(269,352)	(714,832)
At 31 December	**12,588,928**	16,262,100

10. TRADE RECEIVABLE AND PREPAYMENTS (CONTINUED)

* As at 31 December 2022, Contract assets amounted to QR 33,283,446 (2021: QR 24,287,702). The movement is as follows:

	2022	2021
Value of the work done at cost plus attributable profits	198,480,988	106,921,806
Less : Progress Billings	(165,197,542)	(82,634,104)
At 31 December	**33,283,446**	24,287,702

11. CASH AND CASH EQUIVALENTS

Cash and cash equivalents included in the separate statement of cash flows compromise the following balances:

	2022	2021
Cash on Hand	138,468	133,906
Bank balances	55,048,298	69,626,383
	55,186,766	69,760,289

12. SHARE CAPITAL

	2022	2021
Fully Paid-up Capital		
6 units of QR 1,000,000 each	**6,000,000**	6,000,000

13. DIVIDENDS

	2022	2021
Declared and paid during the year	**8,951,844**	18,235,833

-The board of directors has proposed a cash dividend 14,042,928 for the year ended 31 December 2022 (2021: cash divided 8,951,844).

14. LEGAL RESERVES

In accordance with the Qatar Commercial Companies' Law No. 11 of 2015 and the Company's Articles of Association, 10% of the profit for the year should be transferred to legal reserve until the reserve equals 50% of the share capital. The Company has resolved to discontinue such annual transfer since the reserve already equals 50% of the issued share capital. The reserve is not normally available for distribution, except in circumstances stipulated in the abovementioned law.

15. BORROWINGS

	2022	2021
Short term loans	15,851,620	15,717,736
Long term loans	10,840,427	18,973,009
	26,692,047	34,690,745

- Short term loans include short term facilities obtained from local banks for the purpose of financing import purchases. These loans are repayable in 180 days to 362 days and carry interests at commercial rates. These loans have been secured against personal guarantees of the partners.

- Long term loans include term facilities obtained from Qatar National Bank for the purpose of financing a project, supply, installation, maintenance of and support services for CCTV Solutions. These loans carry interests at commercial rates. These loans have been secured against personal guarantees of the partners. Also term loans related to vehicles purchase and will be payables against instalments more than one year .

- On 03 November 2022, the Group entered into an agreement with Dukhan Bank to obtain a Murabaha loan of QAR 5,187,500 which will be paid in one instalment dated 02 May 2023.

16. LEASE LIABILITIES

	2022	2021
Finance Lease Obligation	4,314	20,514
Lease liability pertaining to right-of-use asset	4,090,098	260,630
Total Lease Liabilities	**4,094,412**	281,144

See Below Movement of the lease liability pertaining to right-of-use assets:

	2022	2021
At 1 January	260,630	2,024,162
Additions During the year	5,435,712	367,278
Lease Interest	223,294	65,962
Payments during the year	(1,829,538)	(2,196,772)
At 31 December	**4,090,098**	260,630

Presented in the statement of financial position as follows:

	2022	2021
Current Portion	1,900,506	260,630
Non-Current Portion	2,193,906	20,514
	4,094,412	281,144

The following are the amounts recognised in statement of comprehensive income

16. LEASE LIABILITIES (Continued)

	2022	2021
Depreciation on right-of-use assets (note 5)	1,687,600	2,024,511
Lease Interest	223,294	65,962
	1,910,894	2,090,473

17. EMPLOYEES' END OF SERVICE BENEFITS

Movement in the provision recognised in the separate statement of financial position is as follows:

	2022	2021
At 1 January	5,511,363	5,123,099
Provided during the year	1,088,332	924,354
Payments made during the year	(254,509)	(536,090)
At 31 December	**6,345,186**	5,511,363

18. TRADE AND OTHER PAYABLES

	2022	2021
Trade accounts payables	72,928,975	52,733,538
Advances from customers	63,257,630	80,745,034
Contract Liabilities *	29,032,637	18,505,074
Retention Payable	853,850	541,613
Accruals and other payables	11,037,220	12,567,968
	177,110,312	165,093,227

* As at 31 December 2022, Contract Liabilities movement is as follows:

	2022	2021
Progress billings	201,278,279	106,288,708
Less: Contract costs incurred to date	(172,245,642)	(87,783,634)
At 31 December	**29,032,637**	18,505,074

19. RELATED PARTY TRANSACTIONS

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial and operating decisions. The Group enters into transactions with companies and entities that fall within the definition of a related party as contained in International Accounting Standard (IAS) 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.

Transactions with related parties

Name	Nature of transactions	2022	2021(Restated)
Choices Trading	**Payment**	**1,198,315**	50,190
Al Jaidah Brothers	**Payment**	**11,025,647**	13,984,569
TQ International Ltd.	**Payment**	**1,301**	4,129
Abdullah Alansari	**Payment**	**2,507,771**	4,186,546
Zeyad Jaidah	**Payment**	**1,083,474**	1,718,234

19. RELATED PARTY TRANSACTIONS (CONTINUED)

(a) Due from related parties

Name of Party	**Relationship**	**2022**	2021(Restated)
Qatar Electronics Systems Company L.L.C – Oman	Subsidiary	1,450,722	1,450,722
Choices Trading	Other Related Party	1,654,060	797,383
Salah Jaidah	Shareholder	166,154	166,154
Tariq Al Jaidah	Shareholder	50,393	50,392
Zeyad Al Jaidah	Shareholder	6,341	-
TQ International Ltd.	Other Related Party	22,393	17,060
		3,350,063	2,481,711

(b) Due to related parties

Name of Party	**Relationship**	**2022**	2021(Restated)
Al Jaidah Brothers	Shareholder	731,743	371,438
Abdulla Al-Ansari	Shareholder	872,823	1,762,361
Zeyad Jaidah	Shareholder	-	26,319
		1,604,566	2,160,118

(c) Compensation of key management personnel

The remuneration of directors and other members of key management during the year was as follows:

	2022	2021
Short-term benefits	**3,684,000**	3,684,000

20. COMMITMENTS

Future minimum lease payments:

The future expenditure commitments in respect of operating lease rentals are as follows:

	2022	2021
Payable within one year	354,000	514,000
Payable after one year but less than five years	-	69,000
	354,000	583,000

21. REVENUE

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

	2022	2021
Type of goods or services:		
Project related revenue	314,284,747	178,233,442
Showroom and retail sales	16,630,888	18,355,423
	330,915,635	196,588,865

	2022	2021
Timing of revenue recognition:		
Goods and services transferred over time	314,284,747	178,233,442
Goods transferred at a point in time	16,630,888	18,355,423
	330,915,635	196,588,865

22. DIRECT COST

	2022	2021
Materials	146,997,583	91,190,934
Subcontract cost and provisions	82,209,644	28,931,667
Staff cost	23,371,950	19,264,130
Other direct cost	4,914,515	986,690
	257,493,692	140,373,421

23. GENERAL AND ADMINSTRATIVE EXPENSES

	2022	2021(Restated)
Salaries and related costs	23,748,298	19,904,021
Depreciation including right-of-use assets charges (Note 5)	2,643,989	2,873,184
Management remuneration	3,772,000	3,780,000
Legal and professional fees	3,105,387	1,046,495
Rent	1,512,655	569,762
Electricity and fuel	674,879	777,902
Travelling expenses	198,390	171,952
Repairs and maintenance	264,770	284,096
Immigration expenses	664,639	693,165
Communication costs	767,203	732,715
Training costs	164,992	69,580
Printing and stationery	645,796	512,792
Insurance	467,126	283,961
Warranty expenses	222	7,274
Provision for slow moving inventories (Note 9)	1,784,972	150,000
Miscellaneous expenses	1,867,313	854,860
	42,282,631	32,711,759

24. SELLING AND DISTRUBTING EXPENSES

	2022	2021
Sales commission	3,673,070	3,520,617
Advertising costs	187,223	304,440
Sales promotion expenses	408,042	619,486
	4,268,335	4,444,543

25. FINANCE COSTS

	2022	2021
Forex gain	(864,942)	(109,098)
Interest expenses	1,114,668	1,457,850
Bank charges	1,297,044	1,259,597
	1,546,770	2,608,349

26. CONTINGENCIES

At 31 December 2022, the Group had contingent liabilities amounting to QR 166,571,342 (2021: QR 136,412,503) in respect of bank guarantees and letters of credit arising in the ordinary course of business from which it is anticipated that no material liabilities will arise.

27. RESTATEMENT AND RECLASSIFACTION FOR PREVIOUS YEAR

Prior year financial statements were adjusted as the investment in subsidiary amount not matching with the amount as per subsidiary CR and the percentage of the ownership with adjusted the related parties with the investment and adjusted Zakat to the retained earnings. Also, the borrowings have been reclassifications from current to non-current. The effect of rectifying these mistakes and reclassifications on the financial statements is as follows:

Statement of Financial Position	2021 As previously reported	Adjustments	2021 (As Restated)
Assets: -			
Investment in subsidiary	186,200	732,151	918,351
Non-current assets	**186,200**	**732,151**	**918,351**
Equity: -			
Retained earnings	78,511,209	(1,200,000)	77,311,209
	78,511,209	**(1,200,000)**	**77,311,209**
Non-current liabilities			
Borrowings	23,076,769	(4,103,760)	18,973,009
	23,076,769	**(4,103,760)**	18,973,009
Current liabilities			
Borrowings	11,613,976	4,103,760	15,717,736
Due from related parties	2,720,374	(238,663)	2,481,711
Due to related parties	1,666,630	493,488	2,160,118
	16,000,980	**4,358,585**	**20,359,565**

28. RESTATEMENT AND RECLASSIFACTION FOR PREVIOUS YEAR (CONTINUED)

Statement of Profit or Loss and OCI	2021 As previously reported	Adjustments	2021 (As Restated)
Zakat	1,200,000	(1,200,000)	-
General and administrative	30,004,016	2,707,743	32,711,759
Other Income	520,420	3,907,743	4,428,163
	31,724,436	**5,415,486**	**37,139,922**

29. COMPARATIVE FIGURES

Certain comparative figures have been reclassified to conform to the presentation in the current year's combined financial statements. However, such reclassification does not have any effect on the net income, net assets and equity of the previous year expect for the reclassification presented in note 28.