Mannai Corporation Q.P.S.C.

Consolidated financial statements

31 December 2021

Mannai Corporation Q.P.S.C.

Consolidated financial statements
As at and for the year ended 31 December 2021

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DIRECTORS REPORT

"The resulting Net Profit of QR 276 Million compared with only a marginal profit in 2020, demonstrates the underlying strength of the turnaround in our business in 2021"

It is pleasing to report that business across the Mannai Group greatly improved in 2021, compared with the unique set of challenges in the previous year following the onset of Covid-19 in early 2020.

Even so, business constraints continued to a certain extent in 2021, with travel restrictions, supply chain delays, increased logistics costs, and of course changes in the lifestyle and working conditions of our customers and staff.

Our main retail businesses benefited from increased demand from our customers in 2021. Car sales in Qatar increased by 77 percent, and sales in Damas, our GCC jewellery business, grew by 33 percent.

In our Business to Business segment, (B2B), the combined total revenues of our ICT businesses in Qatar and Europe jumped by 14.4 percent.

Overall Group revenues grew by 16.3 percent in 2021 compared with the previous year. A positive trend in business built-up during the year culminated in a strong fourth quarter in 2021.

PERFORMANCE OVERALL

• Group turnover	QR 14.4 Billion
• Revenue Growth	16.3 percent
• EBITDA	QR 1.24 Billion
• EBIT	QR 745 Million
• Net Profit	QR 276 Million
• Earnings per share	QR 0.61

Although the revenue breakdown comprised Inetum at 66 percent, Damas at 7 percent, and Qatar businesses at 27 percent, notably, excluding the funding cost of Mannai's original investment in Inetum, the combined Qatar businesses contributed a robust 66 percent of the overall Net Profit

It is also notable that while total sales increased by 16.3 percent, across the Group there was no dilution in the overall Gross Margin, which grew by a healthy 16.9 percent.

The resulting Net Profit of QR 276 million, compared with only a marginal net profit in 2020, demonstrates the underlying strength in the turnaround of our businesses in 2021.

In terms of the future outlook, the positive trend in our businesses in the fourth quarter of 2021 provides encouragement for the year ahead.

PROPOSED SALE OF INETUM

The proposed sale of Mannai's shares in Inetum, its French ICT subsidiary, was notified to the market via the QSE on 20th January, 2022.

The sale process is proceeding as planned and is currently under consultation with employee representatives in France.

A general assembly will be convened shortly to enable Mannai's shareholders to review the proposed sale. Should the shareholders approve the sale, it is expected to result in a planned and positive change in the shape of Mannai's Balance Sheet during 2022.

Naturally, whilst there will be a reduction in Group revenue following the sale of Inetum, importantly, there will also be a very significant reduction in the level of Mannai's bank borrowings, debt gearing and interest costs going forward.

The Inetum sale will have no effect on Mannai's domestic ICT business, which continues to build on its leading market share in Qatar, underpinned by its strong and lengthy forward order book.

EXTRAORDINARY GENERAL MEETING AND ORDINARY GENERAL MEETING

The employee representative consultation process in France for the sale of Inetum is nearing completion. It is expected that once this process is completed more details on the sale transaction will be able to be released via the QSE alongside the notice for an Extraordinary General Meeting (**EGM**) and an Ordinary General Meeting (**OGM**).

The notice for the EGM and OGM are planned to be published on 4th April with the General Assemblies being scheduled for 26th April, 2022, at which Mannai will seek shareholder approval for the sale of all its shares in Inetum.

K Higley

Keith Higley
Director

KPMG
Zone 25 C Ring Road
Street 230, Building 246
PO Box 4473, Doha
State of Qatar
Telephone: +974 4457 6444
Fax: +974 4436 7411
Website: home.kpmg/qa

Independent auditors' report

To the Shareholders of

Mannai Corporation Q.P.S.C.

Opinion

We have audited the consolidated financial statements of Mannai Corporation Q.P.S.C. ("the Company"), and its subsidiaries (together "the Group"), which comprise the consolidated statement of financial position as at 31 December 2021, the consolidated statements of income, 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 2021, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS).

Basis for opinion

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

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current 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.

Description of key audit matter	How the matter was addressed in our audit

Carrying value of goodwill and other intangible assets with indefinite useful life and investments in associates companies– refer to note 12 and note 13 to the consolidated financial statements
 	
We focused on this area because:
 	
• the Group recognised goodwill and other intangible assets with indefinite useful life ("intangibles") amounting to QR 5,010 million (2020: QR 5,173 million) arising due to obtaining control of one or more businesses;
 	
• The annual impairment testing of goodwill and other intangible assets with indefinite useful life, and the impairment testing of one of the investments in associate companies in accordance with IAS 36, requires management to make significant estimates and judgments in determining the assumptions to be used to arrive at the recoverable amount. The recoverable amount of the Cash Generating Units (CGUs) including the investment in one of the associate companies, which is based on the higher of the value in use or fair value less costs of disposal, has been derived from discounted forecast cash flows models; and
	Our audit procedures in this area included, among others:
	
	– obtaining the discounted forecast cash flows models for all the CGUs, except for one of CGUs (with related components) where we obtained fair value less costs of disposal;
	
	– involving our valuation specialists to assist us in:
	
	  – evaluating the appropriateness of the discount rates applied, which included comparing the weighted-average cost of capital with industry averages for the relevant markets in which the CGUs operate;
	
	  – evaluating the appropriateness of the assumptions applied in discounted forecast cash flows models to key inputs such as, growth rate applied in sales, operating costs, margins, terminal growth rates etc., by comparing these inputs with externally derived data as well as our own assessments based on our knowledge of the client's business and the industry.
	
	  – performing our own sensitivity analysis on assumptions applied in discounted forecast cash flows models which included assessing the effect of reasonably possible reductions in growth rates and forecast cash flows to evaluate the impact on the value in use forecast the CGUs;

Key audit matters (continued)

Description of key audit matter	How the matter was addressed in our audit
Carrying value of goodwill and other intangible assets with indefinite useful life and investments in associates companies– refer to note 12 and note 13 to the consolidated financial statements (continued) • these discounted forecast cash flow models use several key assumptions, including estimates of growth in future sales, operating costs, margins, terminal value growth rates and the weighted – average cost of capital (discount rate). Accordingly, we have considered above as a key audit matter.	- obtaining agreements entered subsequent to the reporting date to assess whether carrying values are lower than fair value less costs of disposal; and - evaluating the adequacy of the financial statements' disclosures, including disclosures of key assumptions, judgement, estimates and sensitivities.
Revenue recognition and impairment of financial and contract assets – refer to notes 5(C), 5(L), 8, 24 and 33 to the consolidated financial statements We focused on these areas because: - the Group generates revenue of QR 14,407 million (2020: QR 12,388 million) from the diversified revenue streams mainly from information technology, its related services ("IT contracts"), luxury goods and automotive; and - the Group makes significant assumptions / judgements to measure and recognise revenue in particular identification of performance obligations, allocation of transaction price, estimating costs to complete, timing of revenue recognition and corresponding receivables from contract assets.	Our audit procedures in these areas included, among others: - obtaining an understanding of the systems, processes and controls implemented by the Group for recording and computing revenue and the associated contract assets / liabilities; - evaluating the appropriateness of the selection of accounting policies for the new contracts entered during the year based on the requirements of IFRS 15 and our understanding of the different sources of revenue of the Group; - tested the controls pertaining to contract approvals, invoice approvals, allocation of standalone selling prices to individual performance obligations and revisions to cost estimates; - assessing the appropriateness of management's revenue recognition under IFRS 15 across significant revenue streams for a sample of contracts selected; - assessing the appropriateness of the key inputs and assumptions used by the management to allocate contract revenue over performance obligations for a sample of contracts selected;

Key audit matters (continued)

Description of key audit matter	How the matter was addressed in our audit

Revenue recognition and impairment of financial and contract assets – refer to notes 5(C), 5(L), 8, 24 and 33 to the consolidated financial statements (continued)
 	
- the Group's financial and contract assets subject to credit risk were QR 6,104 million as at 31 December 2021 (2020: QR 5,510 million), hence, a material portion of the consolidated statement of financial position.
 	
- expected credit loss assessment for financial and contract assets involves:
  – complex accounting requirements, including assumptions, estimates and judgements underlying the determination of impairment;
  – susceptibility to management bias when making estimates and judgements to determine expected credit loss outcomes; and
  – complex disclosure requirements
 	
Accordingly, we have considered above as a key audit matter.
	– assessing the appropriateness of assumptions and judgements made to measure and assess the transaction price and its allocation over performance obligations for a sample of new contracts entered during the year based on our experience and industry practice;
	
	– challenging the reasonableness of estimates made regarding the cost of completion, profit margins for each contract based on our experience and industry benchmarks;
	
	– assessed the appropriateness of work in progress and contract assets/liabilities on balance sheet date by evaluating the underlying documentation;
	
	– assessing whether the Group's policies and processes for making these estimates are appropriate and are applied consistently to all contracts of a similar nature;
	
	– involving valuation specialist to evaluate the reasonableness of management's key judgements and estimates made in calculation of expected credit loss;
	
	– evaluating the completeness, accuracy and relevance of data used in the expected credit loss calculation; and
	
	– evaluating the adequacy of the financial statement disclosures including key assumptions and judgements.

Key audit matters (continued)

Description of key audit matter	How the matter was addressed in our audit
Existence and valuation of inventories – refer to note 5(G) and note 9 to the consolidated financial statements We focused on this area because: - the consolidated financial statements include inventories of QR 1,469 million (2020: QR 1,670 million). This represents 9.01% (2020: 10.23%) of the Group's total assets, hence, a material portion of the consolidated financial position. - inventories mainly comprise luxury goods (gold and jewelleries), automotive and IT equipment. These inventories are held in multiple locations. - valuation of inventories, in particular gold and jewelleries require significant management judgment and estimates Accordingly, we have considered above as a key audit matter.	Our audit procedures in this area included, among others: - understanding the processes and identifying the relevant controls including automated controls. - testing existence and operating effectiveness of internal controls, including the automated controls, on samples of transactions based on the frequencies of the controls. - evaluating the appropriateness of methodology used by the Group in estimating the net realisable values for sample of inventories. - observing the inventory counts performed by the management for locations selected on sample basis. - evaluated estimates used by the management in assessing provision against slow and/or non-moving inventories; and - evaluating the adequacy of the financial statement disclosures, including disclosures in relation to key assumptions and estimates used in the valuation of inventories.

Mannai Corporation Q.P.S.C.

Other information

The Board of Directors is responsible for the other information. The other information comprises the information included in the Company's Annual Report of 2021 but does not include the Company's consolidated financial statements and our auditors' report thereon. Prior to date of this auditor's 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 the date.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance or 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 the 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, and for such internal control as the Board of Directors determines is necessary to enable the preparation of the 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.

Auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an 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 judgment 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 risk, 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 omission, misrepresentations, or the override of internal controls.

Auditor's responsibilities for the audit of the consolidated financial statements (continued)

- 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 auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our 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 consolidated 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 to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

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)

Mannai Corporation Q.P.S.C.

Report on other legal and regulatory 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 :

- We have obtained all the information and explanations we considered necessary for the purposes of our audit.
- The Company has maintained proper accounting records and its consolidated financial statements are in agreement there with.
- Furthermore, the physical count of the Company's inventories was carried out in accordance with established principles;
- We are not aware of any violations of the Qatar Commercial Companies Law No. 11 of 2015 or the terms of the Company's Articles of Association and any amendments thereto 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 2021.

16 March 2022
Doha
State of Qatar

KPMG
P.O.Box :4473
Doha - Qatar

Gopal Balasubramaniam
Qatar Auditors' Registry Number 251
KPMG
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License No. 120153

Mannai Corporation Q.P.S.C.

Consolidated statement of financial position
As at 31 December 2021

In Thousands of Qatari Riyals

	Notes	**31 December 2021**	31 December 2020 *(Restated)**	1 January 2020 *(Restated)**
Assets				
Current assets				
Bank balances and cash	7	**1,039,061**	1,150,315	380,362
Accounts receivable and prepayments	8	**4,954,683**	4,415,893	3,822,375
Inventories	9	**1,469,110**	1,669,566	1,366,476
Amounts due from related parties	30(b)	**33,813**	40,169	46,453
Total current assets		**7,496,667**	7,275,943	5,615,666
Non-current assets				
Accounts receivable and prepayments	8	**374,465**	304,298	283,218
Financial assets - equity instruments	10	**11,810**	15,069	9,336
Investment in joint venture companies	11	**27,150**	19,956	20,275
Investment in associate companies	12	**953,035**	970,506	992,996
Goodwill and other intangible assets	13	**5,819,319**	6,032,986	4,327,303
Property, plant and equipment	14	**911,649**	917,885	872,752
Investment properties	15	**893**	9,940	11,746
Deferred tax assets	16	**56,816**	108,948	80,896
Right-of-use assets	18	**520,812**	623,599	605,241
Amounts due from related parties	30(b)	**48,602**	46,534	62,362
Total non-current assets		**8,724,551**	9,049,721	7,266,125
Total assets		**16,221,218**	16,325,664	12,881,791
Liabilities and equity				
Liabilities				
Current liabilities				
Bank overdrafts	7	**313,096**	280,613	282,805
Interest bearing loans and borrowings	17	**2,742,959**	2,001,117	1,873,607
Lease liabilities	18	**191,515**	192,929	184,992
Accounts payable and accruals	19	**5,343,281**	5,148,779	3,427,400
Amounts due to related parties	30(b)	**4,543**	2,945	3,543
Total current liabilities		**8,595,394**	7,626,383	5,772,347

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**Refer note 35*

The consolidated statement of financial position continues on next page.

The accompanying notes from 1 to 37 are an integral part of these consolidated financial statements.

Mannai Corporation Q.P.S.C.

Consolidated statement of financial position (continued)
As at 31 December 2021

In Thousands of Qatari Riyals

	Notes	31 December 2021	31 December 2020 *(Restated)**	1 January 2020 *(Restated)**
Non-current liabilities				
Deferred tax liabilities	16	**24,377**	42,631	3,812
Interest bearing loans and borrowings	17	**4,541,932**	5,706,770	4,159,223
Lease liabilities	18	**352,931**	445,289	442,838
Accounts payable and accruals	19	**86,695**	24,190	42,645
Employees' end of service benefits	20	**420,028**	429,552	394,837
Total non-current liabilities		**5,425,963**	6,648,432	5,043,355
Total liabilities		**14,021,357**	14,274,815	10,815,702
Equity				
Share capital	21	**456,192**	456,192	456,192
Legal reserve	22(a)	**1,083,456**	1,083,456	1,083,456
Acquisition reserve	22(b)	**(999,488)**	(999,488)	(999,488)
Other reserve	22(c)	**(66,379)**	(64,782)	(63,332)
Foreign currency translation reserve	22(d)	**(156,450)**	(39,952)	(116,994)
Proposed dividends	23	**136,858**	4,562	91,238
Fair value reserve		**(32,990)**	(32,990)	(32,990)
Retained earnings		**1,774,811**	1,642,495	1,645,756
Equity attributable to shareholders of the Company		**2,196,010**	2,049,493	2,063,838
Non-controlling interests		**3,851**	1,356	2,251
Total equity		**2,199,861**	2,050,849	2,066,089
Total liabilities and equity		**16,221,218**	16,325,664	12,881,791

These consolidated financial statements were approved by the Board of Directors and authorised for issue on their behalf by the following on 16 March 2022.

....
Mohamed Yousef H A Kamal
Director

....
Khaled Sultan Al Rabban
Director

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**Refer note 35*

The accompanying notes from 1 to 37 are an integral part of these consolidated financial statements.

Mannai Corporation Q.P.S.C.

Consolidated statement of income
For the year ended 31 December 2021

In Thousands of Qatari Riyals

	Notes	2021	2020 *(Restated)**
Revenue	24	**14,406,970**	12,388,482
Direct costs		**(11,314,000)**	(9,742,366)
Gross profit		**3,092,970**	2,646,116
Share of results and impairment losses from joint ventures and associate companies	11,12	**23,302**	8,393
Other income	26	**80,020**	63,659
General and administrative expenses	27	**(1,470,289)**	(1,249,482)
Selling and distribution expenses	28	**(476,533)**	(413,606)
Impairment of financial and contract assets - net	8	**(7,265)**	(70,921)
Profit before interest, tax, depreciation and amortisation		**1,242,205**	984,159
Finance costs		**(345,091)**	(389,733)
Depreciation and amortisation	13,14,15,18(a)	**(496,819)**	(467,707)
Profit before tax		**400,295**	126,719
Income tax	16	**(124,668)**	(124,924)
Net profit for the year		**275,627**	1,795
Attributable to:			
Shareholders of the Company		**276,076**	1,659
Non-controlling interests		**(449)**	136
		275,627	1,795
Earnings per share:			
Basic and diluted earnings per share attributable to shareholders of the Company (QR) (restated)*	21, 29	**0.605**	0.004

*Refer note 35

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The accompanying notes from 1 to 37 are an integral part of these consolidated financial statements.

Mannai Corporation Q.P.S.C.

Consolidated statement of comprehensive income
For the year ended 31 December 2021 In Thousands of Qatari Riyals

	Notes	2021	2020 *(Restated)**
Net profit for the year		**275,627**	1,795
Other comprehensive income			
Items that will not be reclassified to profit or loss:			
Changes in actuarial differences – net of related taxes		**1,870**	(2,944)
		1,870	(2,944)
Items that are or may be reclassified subsequently to profit or loss:			
Change in fair value of derivative financial liabilities		**6,997**	(3,578)
Valuation of share-based payments		**11,715**	8,939
Foreign currency translation adjustments		**(116,505)**	77,182
Total other comprehensive income for the year		**(95,923)**	79,599
Total comprehensive income for the year		**179,704**	81,394
Attributable to:			
Shareholders of the Company		**180,160**	81,118
Non-controlling interests		**(456)**	276
		179,704	81,394

**Refer note 35*

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The accompanying notes from 1 to 37 are an integral part of these consolidated financial statements.

Consolidated statement of changes in equity
For the year ended 31 December 2021

In Thousands of Qatari Riyals

	Share capital	Legal reserve	Acquisition reserve	Other reserve	Foreign currency translation reserve	Proposed dividends	Fair value reserve	Retained earnings	Equity attributable to shareholders of the Company	Non-controlling interests	Total
1 January 2020, as previously reported	456,192	1,083,456	(999,488)	(63,332)	(116,994)	91,238	(32,990)	1,916,328	2,334,410	2,251	2,336,661
Impact of correction of errors*	-	-	-	-	-	-	-	(270,572)	(270,572)	-	(270,572)
Restated balance at 1 January 2020	456,192	1,083,456	(999,488)	(63,332)	(116,994)	91,238	(32,990)	1,645,756	2,063,838	2,251	2,066,089
Total comprehensive income for the year*	-	-	-	2,417	77,042	-	-	1,659	81,118	276	81,394
Dividends paid (Note 23)	-	-	-	-	-	(91,238)	-	-	(91,238)	-	(91,238)
Proposed dividend (Note 23)	-	-	-	-	-	4,562	-	(4,562)	-	-	-
Social and sports contribution for 2020	-	-	-	-	-	-	-	(358)	(358)	-	(358)
Other adjustments	-	-	-	(3,867)	-	-	-	-	(3,867)	-	(3,867)
Change in consolidation scope	-	-	-	-	-	-	-	-	-	(1,171)	(1,171)
At 31 December 2020	456,192	1,083,456	(999,488)	(64,782)	(39,952)	4,562	(32,990)	1,642,495	2,049,493	1,356	2,050,849
At 31 December 2020 / At 1 January 2021	456,192	1,083,456	(999,488)	(64,782)	(39,952)	4,562	(32,990)	1,642,495	2,049,493	1,356	2,050,849
Total comprehensive income for the year	-	-	-	20,582	(116,498)	-	-	276,076	180,160	(456)	179,704
Dividends paid (Note 23)	-	-	-	-	-	(4,562)	-	-	(4,562)	-	(4,562)
Proposed dividend (Note 23)	-	-	-	-	-	136,858	-	(136,858)	-	-	-
Social and sports contribution for 2021	-	-	-	-	-	-	-	(6,902)	(6,902)	-	(6,902)
Other adjustments	-	-	-	(22,179)	-	-	-	-	(22,179)	-	(22,179)
Change in consolidation scope	-	-	-	-	-	-	-	-	-	2,951	2,951
At 31 December 2021	**456,192**	**1,083,456**	**(999,488)**	**(66,379)**	**(156,450)**	**136,858**	**(32,990)**	**1,774,811**	**2,196,010**	**3,851**	**2,199,861**

**Refer note 35*

The accompanying notes from 1 to 37 are an integral part of these consolidated financial statements.

Mannai Corporation Q.P.S.C.

Consolidated statement of cash flows
For the year ended 31 December 2021

In Thousands of Qatari Riyals

	Notes	2021	2020 *(Restated)**
Operating activities			
Profit before tax		**400,295**	126,719
Adjustments for:			
Impairment loss on financial and contract assets -net	8	**7,265**	70,921
Provision for slow moving inventories, net of write-back	9	**12,854**	10,191
Share of results and impairment losses from joint ventures and associate companies	11,12	**(23,302)**	(8,393)
Depreciation and amortisation	13,14,15, 18(a)	**496,819**	467,707
Lease concessions related to Covid-19	18(b)	**(877)**	(11,917)
Provision for employees' end of service benefits	20(a), 20(b)	**44,299**	45,361
Write back of provisions / liabilities no longer required	26	**-**	(974)
Gain on sale of property, plant and equipment	26	**(2,013)**	(701)
Gain on sale of investment properties	26	**(14,878)**	(349)
Gain on sale of intangible assets	26	**-**	(6,081)
Write-off and impairment of property, plant and equipment		**160**	7,254
Gain on derecognition / modification of right of use assets and lease liabilities		**(7,480)**	(4,083)
Finance income		**(4,247)**	(4,640)
Finance costs		**345,091**	389,733
Operating profit before working capital changes		**1,253,986**	1,080,748
Working capital changes:			
Accounts receivables and prepayments		**(563,308)**	10,221
Inventories		**187,602**	(159,506)
Amounts due from / to related parties		**10,133**	26,154
Accounts payable and accruals		**248,586**	131,669
Cash generated from operations		**1,136,999**	1,089,286
Finance costs paid		**(323,458)**	(351,737)
Employees' end of service benefits paid	20(a), 20(b)	**(39,443)**	(40,440)
Social and sports contribution paid		**(358)**	(4,833)
Net cash generated from operating activities		**773,740**	692,276
Investing activities			
Disposal / (additions) of financial assets - equity investments	10(b)	**2,847**	(5,641)
Dividend received from associates and joint venture companies	12	**33,753**	44,825
Additions to goodwill and other intangible assets	13	**(132,055)**	(125,703)
Additions to property, plant and equipment	14	**(144,300)**	(134,301)
Proceeds from sale of property, plant and equipment		**14,771**	24,334
Carried forward to next page		**(224,984)**	(196,486)

The consolidated statement of cash flows continues on next page.

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The accompanying notes from 1 to 37 are an integral part of these consolidated financial statements.

Consolidated statement of cash flows (continued)
For the year ended 31 December 2021

In Thousands of Qatari Riyals

	Notes	2021	2020 *(Restated)**
Carry forward from last page		**(224,984)**	(196,486)
Proceeds from sale of investment properties		**23,793**	963
Proceeds from sale of other intangible assets		**-**	7,390
Acquisition of a subsidiary, net of cash acquired		**(73,542)**	(958,118)
Contingent consideration paid for prior year's acquisitions		**-**	(120,895)
Net cash used in investing activities		**(274,733)**	(1,267,146)
Financing activities			
Net movements in interest bearing loans and borrowings		**(422,996)**	1,675,057
Payment of lease liabilities	18(b)	**(215,466)**	(238,785)
Dividends paid		**(4,562)**	(91,238)
Net cash (used in) / generated from financing activities		**(643,024)**	1,345,034
Net change in cash and cash equivalents		**(144,017)**	770,164
Cash and cash equivalents at the beginning of the year		**867,104**	88,632
Effect of movements in exchange rates on cash held		**1,743**	8,308
Cash and cash equivalents at the end of the year	7	**724,830**	867,104

**Refer note 35*

لأغراض التعريف فقط كي بي أم جي
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1. Reporting entity

Mannai Corporation Q.P.S.C. (the "Company") is registered as a Qatari Shareholding Company in the State of Qatar with the Ministry of Economy and Commerce under Commercial Registration Number 12. The registered office of the Company is situated in Doha, State of Qatar. The Company is listed on the Qatar Stock Exchange.

The Company's parent is Qatar Investment & Projects Development Holding Company WLL.

The core activities of the Company and its subsidiaries (together referred to as the "Group") include information and communication technology, automotive and heavy equipment distribution and service, geotechnical, geological, environmental and material testing services, engineering services to the oil and gas sector, logistics and warehousing, office systems, medical equipment, building materials, travel and cargo services, home appliances and electronics, trading and representation, facilities maintenance and management services and trading in gold and gold jewellery, diamond jewellery, pearls, watches, silver and precious stones on wholesale and retail basis.

The consolidated financial statements include the financial statements of the Company and its controlled subsidiaries. Set out below is a list of local, and foreign material subsidiaries of the Group.

Name of subsidiaries	Principal activities	Country of incorporation	Group's effective shareholding percentage	
			2021	2020
Mannai Trading Company W.L.L.	Trading and services	Qatar	**100**	100
Manweir L.L.C.	Engineering	Qatar	**100**	100
Gulf Laboratories Company W.L.L.	Geotechnical services	Qatar	**100**	100
Space Travel W.L.L.	Travel	Qatar	**100**	100
Space Cargo L.L.C.	Travel	Qatar	**100**	100
Qatar Logistics W.L.L.	Logistics	Qatar	**100**	100
Technical Services Company W.L.L.	Representations	Qatar	**100**	100
Mansoft Qatar W.L.L.	Information Technology	Qatar	**100**	100
Mannai Security Services W.L.L.	Security services	Qatar	**100**	100
Mannai Auto Rent W.L.L.	Car rental services	Qatar	**100**	100
Best Holidays Online W.L.L.	Travel	Qatar	**100**	100
Mannai Air Travel W.L.L.	Travel	Qatar	**100**	100
Mannai Holidays and Inbound Tourism W.L.L.	Travel	Qatar	**100**	100
Inetum S.A.	Holding company	France	**100**	100
Inetum Realdolmen Belgium	Services ICT	Belgium	**100**	100
Inetum Polska Sp Zoo	Services ICT	East of Europe	**100**	100
Inetum Software France	Software	France	**100**	100

1. Reporting entity (continued)

Name of subsidiaries	Principal activities	Country of incorporation	Group's effective shareholding percentage 2021	2020
Inetum Midmarket Solutions France	Consulting and outsourcing	France	**100**	100
Inetum Modernisation Solutions	Applications Services	France	**100**	100
Inetum Business Solutions France	Software	France	**100**	100
Inetum Luxembourg	Consulting, Applications services and Business solutions	Luxembourg	**100**	100
Inetum Mexico	Services ICT	Mexico	**100**	100
Inetum Holding Mexico)	Services ICT	Mexico	**100**	100
Inetum Servicios Mexico 2	Services ICT	Mexico	**100**	100
Inetum Maroc	Services ICT	Morocco	**100**	100
Inetum Consulting Maroc	Consulting services	Morocco	**70**	70
Inetum Business Solutions Maroc	Services ICT	Morocco	**100**	100
Inetum Peru	Outsourcing services and IT projects	Peru	**100**	100
Inetum CLSW Software Portugal	Software	Portugal	**100**	100
Inetum Tech Portugal (en mars 2021)	Consulting, Applications services and Business solutions	Portugal	**100**	100
Inetum Holding Business Solutions Portugal	SAP	Portugal	**100**	100
Inetum Romania	Services ICT	Romania	**100**	100
Inetum Espana	Services ICT	Spain	**100**	100
Inetum Norte	Application services	Spain	**100**	100
Savac Consultores SL	Software	Spain	**100**	100
Inetum Suisse S.A.	Application services	Switzerland	**100**	100
Inetum Holding Tunisie	Consulting and outsourcing	Tunisia	**100**	100
Damas L.L.C.	Jewellery trading	UAE	**100**	100
Damas Jewellery L.L.C	Jewellery trading	Oman	**100**	100
Damas Company W.L.L.	Jewellery trading	Bahrain	**100**	100
Damas Jewellery Kuwait Company W.L.L.	Jewellery trading	Kuwait	**100**	100
Damas Saudi Arabia Company Limited	Jewellery trading	KSA	**100**	100

1. Reporting entity (continued)

Name of subsidiaries	Principal activities	Country of incorporation	Group's effective shareholding percentage	
			2021	2020
Damas Jewellery L.L.C.	Jewellery trading	UAE	**100**	100
Damas Jewellery D.M.C.C.	Jewellery trading	UAE	**100**	100
Damas Jewellery Manufacturing Company L.L.C.	Jewellery trading	UAE	-	100
Premium Investments International L.L.C.	Jewellery trading	UAE	**100**	100

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

2. Basis of preparation

a) Statement of compliance

These consolidated financial statements have been prepared in accordance with International Financial reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB) and the applicable provisions of Qatar Commercial Companies' Law No 11 of 2015.

b) Basis of measurement

The consolidated financial statements have been prepared on a historical cost basis except for financial assets – equity instruments and certain fixed assets that are measured at fair value. Details of the Group's accounting policies are included in Note 5.

3. Functional and presentation currency

These consolidated financial statements are presented in Qatari Riyals, which is the Company's functional and presentation currency. All amounts have been rounded to the nearest thousand or million as appropriate, unless otherwise indicated.

4. Application of new and revised international financial reporting standards (IFRS)

4.1 New standards, amendments and interpretations effective from 1 January 2021

During the current year, the below amendments to IFRS Standards became effective for annual reporting period beginning on or after 1 January 2021:

- Amendments to IFRS 16 "Leases" on COVID-19-Related Rent Concessions
- Interest Rate Benchmark Reform – Phase 2 (Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16)

The adoption of the above amendments to IFRS or standards listed do not have any or material effect on the Group's consolidated financial statements.

4. Application of new and revised international financial reporting standards (IFRS) (continued)

4.2 New standards, amendments and interpretations issued but not yet effective

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

1 April 2021	- COVID-19-Related Rent Concessions beyond 30 June 2021 (Amendment to IFRS 16)
Annual period beginning on or after 1 January 2022	- 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)
Annual period beginning on or after 1 January 2023	- Classification of Liabilities as Current or Non-current (Amendments to IAS 1) - IFRS 17 Insurance Contracts and amendments to IFRS 17 insurance contracts - Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2) - Definition of Accounting Estimates (Amendments to IAS 8) - Deferred tax related to assets and liabilities arising from a single transaction (Amendments to IAS 12)
Available for optional adoption	- Sale or contribution of assets between an Investor and its Associate or Joint Venture (Amendments to IFRS 10 ad IAS 28).

Management does not expect that the adoption of the above new and amended standards and the interpretation to a standard will have a significant impact on the Group's consolidated financial statements.

5. Significant accounting policies

The consolidated financial statements comprise the financial statements of Mannai Corporation Q.P.S.C. and its subsidiaries (together referred to as the "Group"). The accounting policies set out below have been applied consistently to all the periods presented in these consolidated financial statements, and have been applied consistently by the Group entities, where necessary, adjustments are made to the financial statements of the subsidiaries to bring their accounting policies in line with those used by the Group.

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.

When a business combination is achieved in stages, the Group's previously held equity interest in the acquiree is remeasured to its acquisition-date fair value and the resulting gain or loss, if any, is recognised in the statement of income.

5. Significant accounting policies (continued)

A. Basis of consolidation (continued)

i. Business combinations (continued)

Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognised in other comprehensive income are reclassified to profit or loss where such treatment would be appropriate if that interest were disposed off. If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period (12 months after the acquisition) to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognised at that date.

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.

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 information of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

iii. Non-controlling interests ("NCI")

NCI are measured initially 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.

iv. Loss of control

When the Group loses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary, and any related 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 associate and joint venture companies

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 OCI of equity-accounted investees, until the date on which significant influence or joint control ceases.

5. Significant accounting policies (continued)

A. Basis of consolidation (continued)

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.

B. Foreign currency

i. Foreign currency transactions

Transactions in foreign currencies are translated into the respective functional currencies of Group companies 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.

However, foreign currency differences arising from the translation of financial assets – equity instruments are recognised in OCI.

ii. Foreign operations

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on acquisition, are translated into Qatari Riyals at the exchange rates at the reporting date. The income and expenses of foreign operations are translated into Qatari Riyals 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 off in its entirety or partially such that control, significant influence or joint control is lost, the cumulative amount in the 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 off 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 off only part of an associate or joint venture while retaining significant influence or joint control, the relevant proportion of the cumulative amount is reclassified to profit or loss.

C. Revenue

Revenue is recognised upon the transfer of promised products or services to customers in an amount that reflects the consideration that the Group expects to receive in exchange for those products or services. The amount of revenue recognised is adjusted for any rebates. For allocating the transaction prices, the Group has measured the revenue in respect of each performance obligation of a contract at its standalone selling price. The price that is regularly charged for an item is the best evidence of its standalone selling price.

5. Significant accounting policies (continued)

C. Revenue (continued)

i. Information and Communication Technology (ICT Projects or ICT)

Sale of ICT equipment

The customers take control of the items at the time of delivery of goods. Invoices are generated and revenue is recognised at that point in time.

Sale of software and software support

Revenue is recognised when such sales of software and software support provide the customer with a right to use the software and the relevant support, and control is transferred to the customer at a point in time which is (a) upon installation when the Company is required to install the software or the software support or (b) upon software or software support license authorisation when installation service is not required.

For software development and related services, where the license and implementation is required to be substantially customised as part of implementation service, the entire arrangement fee for the license and implementation is considered to be a single performance obligation, the performance obligation is satisfied over time as and when the services are rendered since the customer generally obtains control of the work as it progresses and the revenue is recognised using the percentage of completion method as the implementation is completed.

Networking ICT projects and related services

Revenue is recognised over time using percentage-of-completion method (POC method) of accounting with contract cost incurred determining the degree of completion of the performance obligation. Transfer of control of the service is assessed based on the service performed.

Revenue from fixed price contracts where the performance obligations are satisfied over time and where there is no uncertainty as to measurement or collectability of consideration is recognised by reference to the stages of completion. Stage of completion is measured by reference to labour hours incurred to date as a percentage of total estimated labour hours for each contract. When the contact outcome cannot be measure reliably, revenue is recognised only to the extent that the expenses incurred are eligible to be recovered.

Revenue from contracts on time and material basis is recognised as services are performed. Product maintenance revenue is recognised over the period of the contract.

Contract assets are recognised when there is excess of revenue earned over billings on contracts. Contract assets are classified as unbilled receivables (only act of invoicing is pending) when there is unconditional right to receive cash, and only passage of time is required, as per contractual terms. Unearned and deferred revenue ("contract liability") is recognised when there is billings in excess of revenues. The Group presents a single contract asset or liability representing the net position of the contract as a whole.

The billing schedules agreed with customers include periodic performance-based payments and/or milestone-based progress payments. Invoices are payable within contractually agreed credit period.

5. Significant accounting policies (continued)

C. Revenue (continued)

i. Information and Communication Technology (ICT Projects or ICT) (continued)

Networking ICT projects and related services (continued)

In accordance with IAS 37, the Group recognises an onerous contract provision when the unavoidable costs of meeting the obligations under a contract exceed the economic benefits to be received.

Contracts are subject to modification to account for changes in contract specification and requirements. The Group reviews modification to contract in conjunction with the original contract, on the basis of which the transaction price could be allocated to a new performance obligation or transaction price of an existing obligation could undergo a change. In the event transaction price is revised for existing obligation, a cumulative adjustment is accounted for.

ii. Sale of goods

Customers obtain control of products when the goods are delivered to and have been accepted by the customers. Invoices are generated and revenue is recognised at that point in time. Some contracts permit the customer to return an item.

Revenue from sale of goods is recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur. Therefore, the amount of revenue recognised is adjusted for expected returns, which are estimated based on the historical data for specific type of products.

iii. Rendering of services (other than those that forms part of ICT projects and 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. Revenue from these services is recognised over time based on the stage of completion of the projects which is determined based on the input method. The related costs are recognised in profit or loss when they are incurred.

iv. Commission income from agency services

The Group earns commission income from airline tickets and hotel booking services. Customers obtain benefit when the services are rendered to and have been accepted by the customers. Invoices are generated and revenue is recognised on a net basis at that point in time. For contracts that permit the customer to 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.

D. Employee benefits

i. Short-term employee benefits

Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

5. Significant accounting policies (continued)

D. Employee benefits (continued)

ii. Defined contribution plans

Obligations for contributions to defined contribution plans are expensed as the related service is provided. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payments is available.

iii. Defined benefit plans

The Group's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any planned assets.

The calculation of defined benefit obligations is performed annually by a qualified actuary using the projected unit credit method. The projected unit credit sees each period of service as giving rise to an additional unit of benefit entitlement applying the plan's vesting formula, taking into account the linearization effect when the rights do not vest uniformly over subsequent vesting periods.

Future payments corresponding to the benefits granted to employees are determined using various assumptions (rate of increase in salaries, retirement age, mortality, etc.) and these defined benefit obligations are then discounted to their present value using market yields on high quality corporate bonds as the discount rate.

When assumptions are revised, this results in actuarial differences that are recognised in the period in which they arise, not to profit or loss but directly to equity.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognised immediately in profit or loss. The Group recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

iv. Termination benefits

Termination benefits are expensed at the earlier of when the Group can no longer withdraw the offer of those benefits and when the Group recognises costs for a restructuring. If benefits are not expected to be settled wholly within 12 months of the reporting date, then they are discounted.

v. Qatari nationals (Defined contribution plans)

With respect to the Qatari nationals, the Company makes contributions to Qatar Retirement and Pension Authority as a percentage of the employees' salaries in accordance with the requirements of respective local laws pertaining to retirement and pensions. The Company's share of contributions to these schemes are charged to profit or loss to the year they relate.

vi. Expatriate employees (Defined benefit plan)

With respect to the expatriate employees in Qatar, the Company provides for employees' end of service benefits determined in accordance with the requirements of Qatar Labour Law No. 14 of 2004. These unfunded charges are made by the Company on the basis of employees' salaries and the number of years of service at the statement of financial position date.

5. Significant accounting policies (continued)

E. Finance income and finance costs

Interest income or expense is recognised using the effective interest method. Interest received under instalment credit sale agreement and bank deposits is accounted for on a time proportion basis taking into account the principal outstanding and interest rate applicable.

F. Income tax

Income tax expense comprises current and deferred tax. It is recognised in profit or loss except to the extent that it relates to a business combination, or items recognised directly in equity or in OCI. Interest and penalties related to income taxes, including uncertain tax treatments, are accounted for under *IAS 37 Provisions, Contingent Liabilities and Contingent Assets*.

i. Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes, if any, and is measured using tax rates enacted or substantively enacted at the reporting date. Current tax also includes any tax arising from dividends.

Current tax assets and liabilities are offset only if certain criteria are met.

ii. Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

Deferred tax is not recognised for:

- temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss;
- temporary differences related to investments in subsidiaries, associates and joint arrangements to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and
- taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Future taxable profits are determined based on the reversal of relevant taxable temporary differences. If the amount of taxable temporary differences is insufficient to recognise a deferred tax asset in full, then future taxable profits, adjusted for reversals of existing temporary differences, are considered, based on the business plans for individual subsidiaries in the Group.

Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised; such reductions are reversed when the probability of future taxable profits improves. Unrecognised deferred tax assets are reassessed at each reporting date and recognised to the extent that it has become probable that future taxable profits will be available against which they can be used.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date.

5. Significant accounting policies (continued)

F. Income tax (continued)

ii. Deferred tax (continued)

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset only if certain criteria are met.

Deferred tax assets and liabilities are not discounted to their present value and are therefore reported at the nominal value.

G. Inventories

Inventories are measured at the lower of cost and net realisable value. Costs are those expenses incurred in bringing each product to its present location and condition as follows:

Merchandises, spare and tools, and industrial supplies	- purchase cost on a weighted average cost basis
Vehicles	- purchase cost on specific identification basis
Work-in-progress	- cost of direct materials, labour and other direct costs
Diamond jewellery, pearl jewellery, watches and precious stones*	- purchase cost on specific identification basis
Gold and gold jewellery*	- purchase cost on a weighted average cost basis
Others	- purchase cost on a weighted average cost basis

*Making charges related to inventory of own and unfixed gold jewellery is included in inventories.

Net realisable value represents the estimated selling price less all cost expected to be incurred for completion, sale and/or disposal.

H. Property, plant and equipment

i. Recognition and measurement

Items of property, plant and equipment are measured at cost, which includes capitalised borrowing costs, less accumulated depreciation and any accumulated impairment losses. The cost of certain items of property, plant and equipment at 1 January 2005 (the Group's date of transition to IFRS) was determined with reference to its fair value at that date.

Capital work-in-progress is stated at cost. When the asset is ready for intended use, it is transferred from capital work-in-progress to the appropriate category under property, plant and equipment and depreciated in accordance with the Group's policies.

ii. Derecognition

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use. Profits and losses on disposals of items of property, plant and equipment are determined by comparing the proceeds from their disposals with their respective carrying amounts and are recognised net within profit or loss.

An item of property, plant and equipment is transferred to inventories at net book values when its value is expected to recover through sale.

5. Significant accounting policies (continued)

H. Property, plant and equipment (continued)

iii. 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.

iv. 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. Leased assets are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Group will obtain ownership by the end of the lease term. Land and capital work-in-progress are not depreciated.

Depreciation is calculated on a straight-line basis over the estimated useful lives of the assets. The estimated useful lives of property, plant and equipment for current and comparative periods are as follows:

Buildings	10-50 years
Plant, machinery and equipment	03-20 years
Furniture and equipment	01-06 years
Motor vehicles	03-05 years
Assets on hire	01-05 years

Maintenance, repairs and minor improvements are charged to the statement of income as and when incurred. Major improvements and replacements are capitalised.

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

v. Reclassification to investment property

When the use of a property changes from owner-occupied to investment property, the property is remeasured to fair value and reclassified accordingly. Any gain arising on this remeasurement is recognised in profit or loss to the extent that it reverses a previous impairment loss on the specific property, with any remaining gain recognised in OCI and presented in the revaluation reserve. Any loss is recognised in profit or loss.

5. Significant accounting policies (continued)

I. Intangible assets and goodwill

i. 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 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, including customer relationships, brands, patents and trademarks, that are acquired by the Group and have finite useful lives are measured at cost less accumulated amortisation and any accumulated impairment losses.

ii. 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 profit or loss as incurred.

Subsequent to initial recognition, intangible assets acquired in a business combination are reported at cost less accumulated amortisation and impairment losses, on the same basis as intangible assets that are acquired separately.

iii. 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 profit or loss. Goodwill is not amortised.

The useful lives of goodwill, brand and trade name are for indefinite period whilst the estimated useful lives of other intangible assets for current and comparative periods are as follows:

Customer relationship	02-21 years
Order backlog	03 years
Other intangible assets	04 years

J. Investment property

Investment property comprises property held for capital appreciation, rental yields or both, but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes. Investment property is carried at cost less accumulated depreciation and impairment losses, if any. Land held for undetermined use is classified as investment property and is not depreciated.

5. Significant accounting policies (continued)

J. Investment property (continued)

When the development of investment property commences, it is transferred to capital work-in-progress until development is complete, at which time it is transferred to the respective category, and depreciated on the straight-line method, at the rate calculated to reduce the cost of the asset to its estimated residual value over its expected useful life, as follows:

Building 20 years

Any expenditure that results in the maintenance of property to an acceptable standard or specification is treated as repairs and maintenance and is expensed in the period in which it is incurred.

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, plant and equipment is sold, any related amount included in the revaluation reserve is transferred to retained earnings.

K. Financial instruments

Recognition and initial measurement

Accounts 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. An accounts receivable without a significant financing component is initially measured at the transaction price.

On initial recognition, a financial asset is classified 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 (SPPI) on the principal amount outstanding.
- *Fair Value Through Other Comprehensive Income (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 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 SPPI on the principal amount outstanding.
- *Fair Value Through Profit or Loss (FVTPL)* - All financial assets not classified as measured at amortised cost or FVOCI as described above.

On initial recognition, the Group may irrecoverably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI, if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

5. Significant accounting policies (continued)

K. Financial instruments (continued)

Recognition and initial measurement (continued)

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.

The Group carries out non-recourse factor of part of its receivables. Based on the negotiated contract, the factoring company takes care of the recovery of the assigned receivables. Therefore, the receivables are not maintained in the "Trade receivables".

The Group has classified on initial recognition its accounts and other receivables, due from related parties and its cash at bank at amortised cost. The Group does not hold any other financial assets.

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:

Financial assets – Business model assessment (continued)

- 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 cash flows 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;

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 – 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;
- prepayment and extension features; and
- terms that limit the Group's claim to cash flows from specified assets (e.g. non-recourse features).

5. Significant accounting policies (continued)

K. Financial instruments (continued)

Financial assets – Assessment whether contractual cash flows are Solely Payments of Principal and Interest (continued)

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 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 assets at Fair Value Through Profit or Loss (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. The Group does not hold such assets.
- *Debt instruments at Fair Value Through Other Comprehensive Income (FVOCI)* - These assets are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognised in profit or loss. Other net gains and losses are recognised in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss.
- *Equity investments at Fair Value Through Other Comprehensive Income (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.

L. Impairment

Non-derivative financial assets

The Group recognises loss allowances for Expected Credit Losses (ECLs) on financial assets measured at amortised cost.

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

The Group considers a financial asset to be in default when:
- customer 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 365 days past due.

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

5. Significant accounting policies (continued)

L. Impairment (continued)

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

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 (i.e. the present value of all cash shortfalls) over the expected life of the financial instrument. The Group uses a provision matrix to calculate Expected Credit Loss (ECLs) for its financial and contract assets (excluding equity investments). The provision rates for accounts receivable and contract assets are based on days past due for the Group's various customer segments that have similar loss pattern. The provision matrix is initially based on the Group's historical observed default rates. The Group 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.

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 customer or issuer; or
- the restructuring of a loan or advance by the Group on terms that the Group would not consider otherwise; or
- it is probable that the customer will enter bankruptcy or other financial reorganization; 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.

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.

5. Significant accounting policies (continued)

L. Impairment (continued)

Non-financial assets

At each reporting date, the Group reviews the carrying amounts of its non-financial assets (other than 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.

M. Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Onerous contracts

A provision for onerous contracts is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before a provision is established, the Group recognises any impairment loss on the assets associated with that contract.

N. 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. To assess whether a contract conveys the right to control the use of an identified asset, the Group assesses whether:

- the contract involves the use of an identified asset – this may be specified explicitly or implicitly and should be physically distinct or represent substantially all the capacity of a physically distinct asset. If the supplier has a substantive substitution right, then the asset is not identified.
- the Group has the right to obtain substantially all the economic benefits from use of the asset throughout the period of use; and

5. Significant accounting policies (continued)

N. Leases (continued)

- the Group has the right to direct the use of the asset. The Group has this right when it has the decision-making rights that are most relevant to changing how and for what purpose the asset is used. In rare cases where the decision about how and for what purpose the asset is used is predetermined, the Group has the right to direct the use of the asset if either:

    - the Group has the right to operate the asset; or
    - the Group designed the asset in a way that predetermines how and for what purpose it will be used.

Group as a lessee

At commencement or on modification of a contract that contains a lease component, the Group allocated the consideration in the contract to each lease component on the basis of its relative standalone prices. 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 lease liability adjusted for any lease payment made at or before the commencement date , plus any initial incurred and an estimate of the 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 incentive 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 reflects that the Group will exercise a purchase option. In that case, the right of use will be depreciated over the useful life of the underlying asset which is determined on the same basis as that of property and equipment. In addition, the right of use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurement 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 readily be 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 financing sources and makes certain adjustments to reflect the terms of the lease and the asset leased.

Lease payments included in the measurement of 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 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 revised in-substance fixed lease payment.

5. Significant accounting policies (continued)

N. Leases (continued)

Group as a lessee (continued)

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 right of use asset has been reduced to zero.

Short term leases and leases of low-value assets

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

COVID-19-related rent concessions

The Group has applied COVID-19-Related Rent Concessions – Amendment to IFRS 16. The Group applies the practical expedient allowing it not to assess whether eligible rent concessions that are a direct consequence of the COVID-19 pandemic are lease modifications. The Group applies the practical expedient consistently to contracts with similar characteristics and in similar circumstances. For rent concessions in leases to which the Group chooses not to apply the practical expedient, or that do not qualify for the practical expedient, the Group assesses whether there is a lease modification.

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

If an arrangement contains lease and non-lease components, 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.

6. Critical judgments and key sources of estimation uncertainty

In the application of the Group's accounting policies, which are described in note 5, management is required to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are relevant. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

6. Critical judgments and key sources of estimation uncertainty (continued)

Critical judgments and key sources of estimation in applying accounting policies

The following are the critical judgments and key sources of estimation, that management has made in the process of applying the Group's accounting policies and that have the most significant effect on the amounts recognised in the consolidated financial statements:

(a) Impairment of non-financial assets

The Group is required to undertake an annual test for impairment of indefinite lived assets and, for finite lived assets, to test for impairment if events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Impairment testing is an area involving management judgment, requiring assessment as to whether the carrying value of assets can be supported by the net present value of future cash flows derived from such assets using cash flow projections which have been discounted at an appropriate rate. In calculating the net present value of the future cash flows, certain assumptions are required to be made in respect of highly uncertain matters, including management's expectations of:

- growth in earnings before financing income/costs, tax, depreciation and amortisation, calculated as adjusted operating profit before depreciation and amortisation.
- timing and quantum of future capital expenditure.
- long term growth rates range during discrete period and terminal period; and
- the selection of discount rates to reflect the risks involved.

The recoverable amount is most sensitive to the discount rate used for the discounted cash flow model as well as the expected future cash inflows and the growth rate used for extrapolation purposes.

In the case of goodwill and intangible assets with indefinite lives, at a minimum, such assets are subject to an annual impairment test and more frequently whenever there is an indication that such asset may be impaired. This requires an estimation of the value in use of the cash-generating units to which the goodwill is allocated. Estimating the value in use requires the Group to make an estimate of the expected future cash flows from the cash-generating unit and to choose a suitable discount rate in order to calculate the present value of those.

(b) Provision for expected credit losses of financial and contract assets excluding equity investments

The "expected credit loss" (ECL) impairment model requires forward looking information, which is based on assumptions for the future movement of different economic drivers and how these drivers will affect each other. It also requires management to assign probability of default to various categories of financial assets measured at amortised cost (loans receivable, trade and other receivables, receivables from related parties, and cash at bank). Probability of default constitutes a key input in measuring an ECL and entails considerable judgement; it is an estimate of the likelihood of default over a given time horizon, the calculation of which includes historical data, assumptions and expectations of future conditions. The magnitude of the loss in case there is a default is also an estimate of the loss arising on default; it is based on the difference between the contractual cash flows due and those that the Group would expect to receive.

(c) Impairment of inventories

Inventories are held at the lower of cost and net realisable value. When inventories become old or obsolete, an estimate is made of their net realisable value. For individually significant amounts, this estimation is performed on an individual basis. Inventories 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.

6. Critical judgments and key sources of estimation uncertainty (continued)

(d) Determination of right of use asset and lease liability
Extension and termination options are included in several leases across various classes of right-of-use asset across the Group. These terms are used to maximise operational flexibility in terms of managing contracts. In cases where lease contracts have indefinite term or are subject to auto renewal, lease term is determined considering the business case and reasonably certain renewal of lease. The present value of the lease payments is determined using the discount rate representing the incremental borrowing rate that a lessee would have to pay to borrow over a similar term, and with a similar security, the fund necessary to obtain an asset of a similar value to the right-to-use asset in a similar economic environment. Estimates and judgements are involved in determination of incremental borrowing rate.

The Group accounts and identifies assets as a portfolio based on its similar characteristics and has applied the requirements of IFRS 16 on estimates and assumptions that reflect the size and composition of that portfolio.

(e) Fair value of financial assets - equity investments
Where the fair value of financial assets and financial liabilities recorded in the statement of financial position cannot be derived from active markets, they are determined using valuation techniques including the discounted cash flows model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values. The judgments include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

(f) Useful lives of property, plant and equipment, investment property and intangible assets
The Group's management determines the estimated useful lives of its property, plant and equipment, investment property and intangible assets for calculating depreciation / amortisation. This estimate is determined after considering the expected usage of the asset, physical wear and tear, technical or commercial obsolescence.

(g) Provision and contingent liabilities
The Group's management determines provision on best estimate of the expenditure required to settle the present obligation as a result of the past event at the reporting date.

The Group's management measures contingent liabilities as a possible obligation depending on whether some uncertain future event occurs or a present obligation, but payment is not probable, or the amount cannot be measured reliably.

(h) Business combinations
The recognition of business combinations requires the excess of the purchase price of acquisitions over the net book value of assets acquired to be allocated to the assets and liabilities of the acquired entity.

The Group makes judgments and estimates in relation to the fair value allocation of the purchase price. If any unallocated portion is positive it is recognised as goodwill and if negative, it is recognised in the consolidated statement of income. The Group also makes significant judgments in relation to determination of smallest CGUs and allocation of the residual goodwill to each CGU.

(i) Revenue from contract with customers
The Group makes judgments in determining the performance obligations that exist in contract with the customers. Judgments are also applied in determining timing of transfer of control at a point in time or over time.

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.

As at and for the year ended 31 December 2021 In Thousands of Qatari Riyals

6. Critical judgments and key sources of estimation uncertainty (continued)

(j) Classification of associates, joint ventures and subsidiaries
The appropriate classification of certain investments as subsidiaries, associates and joint ventures requires significant analysis and management judgment as to whether the Group exercises control, significant influence or joint control over these investments. This may involve consideration of a number of factors, including ownership and voting rights, the extent of Board representation, contractual arrangements and indicators of de fact control.

Changes to these indicators and management's assessment of the power to control or influence may have a material impact on the classification of such investments and the Group's consolidated financial position, revenue and results.

(k) Going concern
These consolidated financial statements have been prepared on a going concern basis notwithstanding the fact that the Group's total current liabilities exceeded total current assets by QR 1,098.7 million (2020: QR 350.4 million) as of reporting date. The Group's ability to continue as a going concern is dependent upon its ability to generate sufficient cash flows from its future operations and availability of sufficient bank facilities. The Group's management has made an assessment of the Group's ability to continue as a going concern and is satisfied that the Group has the resources to continue in business for the foreseeable future. Also, the management has forecasted to meet all key covenants exist on all its banking facilities and have also forecasted to timely pay or refinance instalments falling due on some of its banking facilities during the twelve months from the reporting date. Furthermore, management is not aware of any material uncertainties that may cast significant doubt upon the Group's ability to continue as a going concern. Therefore, the consolidated financial statements continue to be prepared on a going concern basis.

7. Cash and cash equivalents

	2021	2020
Bank balances and cash (1)	**1,039,061**	1,150,315
Less: Fixed and margin deposits under lien (refer note 17(b))	**(1,135)**	(2,598)
	1,037,926	1,147,717
Less: Bank overdrafts	**(313,096)**	(280,613)
Cash and cash equivalents in the statement of cash flows	**724,830**	867,104

1. The bank balances and cash amounting to QR 962.9 million (2020: QR 1,087.2 million) arises from the Group's foreign subsidiaries.

2. The Group carries out non-recourse factor of part of its receivables. Based on the negotiated contract, the factoring company takes care of the recovery of the assigned receivables. As at 31 December 2021, one of the foreign subsidiaries of the Group, has, via factoring contracts, financing lines based on the amount of trade receivables sold. These financing lines, capped at 147.9 million euros, were fully used as of 31 December 2021 (2020: 150.0 million euros). Consequently, on the basis of the factoring contracts subscribed, the Group benefited from an amount of QR 609.0 million (2020: QR 664.5 million) recognised in the consolidated statement of financial position under "Cash and cash equivalents".

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8. Accounts receivable and prepayments

	2021	2020 *(Restated)**
Trade accounts receivable	**2,019,060**	1,963,876
Receivables transferred to factoring companies (1)	**432,064**	389,926
Advances to suppliers	**59,416**	68,815
Notes receivable	**224,302**	195,897
Prepayments	**136,666**	137,838
Deposits	**19,726**	19,298
Contract assets	**2,148,318**	1,487,582
Tax and social security receivables	**375,175**	464,691
Others	**144,257**	228,106
	5,558,984	4,956,029
Less: Allowance for impairment of trade accounts and other receivables and contract assets	**(229,836)**	(235,838)
	5,329,148	4,720,191

(1) One of the Group's foreign subsidiaries, Inetum S.A., factors part of its accounts receivable. Depending on the type of contract, the factoring company may be responsible for collecting the accounts receivable. Inetum and its subsidiaries have drawing rights limited to a certain fraction of the receivables assigned.

Presented in the consolidated statement of financial position as follows:

	2021	2020 *(Restated)**
Current	**4,954,683**	4,415,893
Non-current	**374,465**	304,298
	5,329,148	4,720,191

**Refer note 35*

The movement in allowance for impairment of accounts and other receivables and contract assets is as follows:

	2021	2020
At 1 January	**235,838**	112,305
Acquired through business combination	**147**	53,017
Provision during the year	**7,265**	70,921
Written off during the year	**(1,486)**	(219)
Exchange difference on translation of foreign currency	**(11,928)**	(186)
At 31 December	**229,836**	235,838

As at and for the year ended 31 December 2021 In Thousands of Qatari Riyals

9. Inventories

	2021	2020 *(Restated)**
Gold and other jewellery (i)	**943,498**	981,580
Work-in-progress	**133,680**	158,462
Merchandises, spares and tools	**395,334**	381,128
Vehicles and heavy equipment	**127,335**	264,902
Industrial supplies	**10,742**	15,852
Others	**4,868**	5,041
	1,615,457	1,806,965
Less: Provision for obsolete and slow-moving inventories	**(146,347)**	(137,399)
	1,469,110	1,669,566

**Refer note 35*

i. The Group in the normal course of business borrows gold on an unfixed basis which it converts into gold jewellery or trades as bullion. This jewellery and bullion are further used as stock in trade and is sold to various customers on a fixed or unfixed basis. The Group reduces the exposure to gold price by borrowing gold on an unfixed basis. These are then sold as manufactured jewellery or bullion, at which point, the price will be fixed at the spot rate on the sale date. The Group provides gold on an unfixed basis to various consignment ventures, debtors, associates, and joint ventures without any margin and to certain parties against cash margin.

Movements in the provision for obsolete and slow-moving inventories are as follows:

	2021	2020
At 1 January	**137,399**	150,476
Acquired through business combination	**285**	3,838
Provision during the year	**12,854**	11,656
Write back during the year	**-**	(1,465)
Write off during the year	**(3,601)**	(26,378)
Reclassification	**-**	(1,215)
Exchange difference on translation of foreign currency	**(590)**	487
At 31 December	**146,347**	137,399

10. Financial assets – equity instruments

	2021	2020
Financial assets at fair value through other comprehensive income (a)	**8,366**	8,392
Financial assets at fair value through profit or loss (b)	**3,444**	6,677
	11,810	15,069

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10. Financial assets – equity instruments (continued)

a. Financial assets at fair value through other comprehensive income

	2021	2020
At 1 January	**8,392**	8,391
Exchange difference on translation of foreign currency	**(26)**	1
At 31 December	**8,366**	8,392

b. Financial assets at fair value through profit or loss

	2021	2020
At 1 January	**6,677**	945
(Disposals) / additions	**(2,847)**	5,641
Exchange difference on translation of foreign currency	**(361)**	91
Impairment	**(25)**	-
At 31 December	**3,444**	6,677

11. Investment in joint venture companies

The Group has investments in the following joint venture companies:

Name	*Country of incorporation*	*Ownership interest*	
		2021	2020
Engie Cofely Mannai Facility Management W.L.L. (i)	Qatar	**51%**	51%
Saint-Gobain Pam and Mannai L.L.C. (ii)	Qatar	**51%**	51%
Roberto Coin Middle East L.L.C. (iii)	UAE	**51%**	51%
Deepu Jewellery DMCC*	UAE	**51%**	51%

Principal activities of the Group's joint ventures are as follows:

(i) Engie Cofely Mannai Facility Management W.L.L. (previously known as Cofely Besix Mannai Facility Management W.L.L.) is engaged in facilities and asset management business.

(ii) Saint-Gobain Pam and Mannai L.L.C. is engaged in distribution of ductile iron pipes, fittings and valves.

(iii) Roberto Coin Middle East L.L.C. is engaged in trading in gold and gold jewellery, diamond jewellery, pearls, watches, silver and precious stones

* *Dormant entity and under liquidation*

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11. Investment in joint venture companies (continued)

Although the Group holds 51% equity in all of the above entities, decisions need unanimous consent of both parties and as such the investments are classified as joint ventures. Reconciliation of carrying amounts during the current year and comparative year are as follows:

	2021	2020
At 1 January	**19,956**	20,275
Share of results from joint ventures	**7,228**	(319)
Exchange difference on translation of foreign currency	**(34)**	-
At 31 December	**27,150**	19,956

12. Investment in associate companies

The Group holds investments in the following associate companies:

Name	*Country of incorporation*	*Ownership interest* **2021**	2020
LTC International Qatar L.L.C.	Qatar	**50%**	50%
Al Mana Jewellery Co. - Damas W.L.L.	Qatar	**49%**	49%
Axiom Limited (a)	UAE	**35%**	35%
Daiso (Japan) Value Stores L.L.C.	UAE	**51%**	51%
TCO Damas Associates L.L.C.	UAE	**51%**	51%
LTC International General Trading Co.	Kuwait	**35%**	35%
Metamorph Real Estate W.L.L.*#	Kuwait	**30%**	30%
Daiso Trading W.L.L.	Bahrain	**35%**	35%
Al Baraka Jewellery W.L.L.	Bahrain	-	33.33%
Retail World Trading Co. LLC	KSA	**50%**	50%
Creative Brands Enterprise SPC	Oman	**23.75%**	-

**Dormant entity and under liquidation*

The reconciliations of carrying amount during the current and comparative year are as follows:

	2021	2020
At 1 January	**970,506**	992,996
Addition during the year	**681**	13,602
Dividends received	**(33,753)**	(44,825)
Share of results from associate companies	**19,318**	8,712
Impairment loss	**(3,244)**	-
Exchange difference on translation of foreign currency	**(473)**	21
At 31 December	**953,035**	970,506

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12. Investment in associate companies (continued)

a) Axiom Limited

Axiom Limited is engaged in import, retail and wholesale of various brands of mobile phones and related accessories and provision of related services.

The Group holds 35% equity in Axiom Limited which is engaged in import, retail and wholesale of various brands of mobile phones and related accessories and provision of related services, mainly in UAE and KSA markets.

Below is Axiom Limited's summarised financial information:

	2021	2020
Current assets	**944,873**	935,103
Non-current assets	**302,161**	307,983
Current liabilities	**(1,078,310)**	(1,023,983)
Non-current liabilities	**(80,566)**	(80,797)
Net assets	**88,158**	138,306
Proportion of Company's interest in associate's net assets	**30,855**	48,407

	2021	2020
Revenue	**3,861,085**	4,424,344
Loss for the year	**(49,585)**	(52,501)
Total comprehensive income for the year	**(49,585)**	(52,501)
The Group's share of loss	**(17,355)**	(18,375)
The Group's share of total comprehensive income	**(17,355)**	(18,375)

Reconciliation of the above summarised financial information to the carrying amount of the interest in Axiom Limited recognised in the consolidated financial statements:

	2021	2020
Net assets of the associate	**88,158**	138,306
Proportion of the Group's ownership interest	**35%**	35%
Share of net assets before goodwill	**30,855**	48,407
Goodwill	**741,496**	741,496
Less: impairment	**(171,762)**	(171,762)
Goodwill, net of impairment	**569,734**	569,734
Other intangible assets identified	**170,000**	170,000
Other adjustments*	**37,357**	37,161
Carrying amount of the Group's interest	**807,946**	825,302

*Other adjustments include purchase price allocation adjustment at acquisition date and minor exchange difference.

12. Investment in associate companies (continued)

a) Axiom Limited (continued)

The carrying value of Axiom Limited of QR 807,946 as at 31 December 2021 (2020: QR 825,302) is tested for impairment. The recoverable amount of this associate is determined based on a value in use calculation which uses discounted cash flow projections based on business plan and various scenarios of forecasts approved by the management covering a five-year period after which a terminal growth rate (TGR) into perpetuity of 3% from 2026 (2020: 1.5% from 2025) is considered. The present value of future cashflows are discounted using a weighted average cost of capital (WACC) of 12% per annum (2020: 9.5% per annum).

The associate's management has prepared Axiom's business plan which is approved by the Group's Board of Directors. The average budgeted growth rate is assumed to be 17.4% (2020: 5.5%) over the forecast period. The growth rate is based on Board of Directors' strategy and is considered achievable by management considering the nature of the industry, Axiom's positioning and the general growth in the economic activity witnessed in the countries where it operates.

Any change in key assumptions on which the recoverable amount is based may cause the aggregate carrying amount to exceed the aggregate recoverable amount of the cash-generating unit.

b) Other associates

Although, the Group holds 50% or more equity in Daiso (Japan) Value Stores L.L.C., LTC International Qatar L.L.C. and TCO Damas Associates L.L.C., the Group does not have the power to govern the financial and operating activities of these investees and thus, does not have control or joint control in these entities. All other associates are engaged in trading of gold and gold jewellery, diamond jewellery, pearls, watches, silver and precious stones.

(Notes to the consolidated financial statements are continued on next page)

As at and for the year ended 31 December 2021 In Thousands of Qatari Riyals

13. Goodwill and other intangible assets

	Goodwill	Trade name	Distribution rights	Other intangible assets	Total
Cost					
At 1 January 2020, as previously reported	3,382,312	670,000	24,339	1,226,180	5,302,831
Arising from business combination (provisional)	1,053,883	-	-	211,150	1,265,033
Restatement of goodwill (refer (a) and note 35)	240,207	-	-	-	240,207
Identification of other intangible assets (refer (a) and note 35)	(137,366)	-	-	137,366	-
Additions	-	-	-	125,703	125,703
Adjustments	24,797	-	-	(1,357)	23,440
Disposal	-	-	-	(2,143)	(2,143)
Exchange difference on translation of foreign currency	310,241	-	-	125,977	436,218
At 31 December 2020 (restated)	4,874,074	670,000	24,339	1,822,876	7,391,289
Arising from business combination (provisional) (a.1)	81,742	-	-	39,402	121,144
Additions	-	-	-	132,055	132,055
Adjustments	-	-	-	159,994	159,994
Disposal	-	-	-	(118,537)	(118,537)
Exchange difference on translation of foreign currency	(250,190)	-		(127,150)	(377,340)
At 31 December 2021	**4,705,626**	**670,000**	**24,339**	**1,908,640**	**7,308,605**
Impairment/ amortisation					
At 1 January 2020, as previously reported	91,482	-	24,339	589,135	704,956
Restatement*	78,400	192,172	-	-	270,572
At 1 January 2020 (restated)	169,882	192,172	24,339	589,135	975,528
Arising from business combination – net	-	-	-	178,326	178,326
Charge for the year (restated)	-	-	-	125,593	125,593
Relating to disposal	-	-	-	(834)	(834)
Exchange difference on translation of foreign currency	9,319	-	-	70,371	79,690
At 31 December 2020, restated	179,201	192,172	24,339	962,591	1,358,303
Arising from business combination	-	-	-	21,185	21,185
Charge for the year	-	-	-	151,751	151,751
Adjustment	-	-	-	159,994	159,994
Relating to disposal	-	-	-	(114,116)	(114,116)
Exchange difference on translation of foreign currency	(6,141)	-	-	(81,690)	(87,831)
At 31 December 2021	**173,060**	**192,172**	**24,339**	**1,099,715**	**1,489,286**
Net carrying amounts					
At 31 December 2021	**4,532,566**	**477,828**	-	**808,925**	**5,819,319**
At 31 December 2020 *(restated)**	4,694,873	477,828	-	860,285	6,032,986
At 01 January 2020 *(restated)**	3,212,430	477,828	-	637,045	4,327,303

**Refer note 35*

As at and for the year ended 31 December 2021 In Thousands of Qatari Riyals

13. Goodwill and other intangible assets (continued)

a) Acquisition of subsidiaries

(1) During the year, the Group has acquired three entities namely Projixi, Ilex and HLI, through one of its wholly owned subsidiaries, Inetum S.A. Upon this acquisition, a provisional goodwill of QR 81.7 million was recognised at Group level. This provisional goodwill is subject to finalisation of fair values in accordance with IFRS 3.

(2) As per the requirements of IFRS 3, management has finalised the provisional fair values pertaining to Inetum Espana (formerly IECISA) acquired in 2020. This has resulted in identification of additional net liabilities of QR 240.2 million which have been adjusted against goodwill as remeasurement of provisional amounts. Further, the completion of fair valuation exercise has led to identification of other intangibles amounting to QR 137.4 million which has been transferred from remeasured goodwill. These other intangibles have finite useful lives and consequently the consolidated financial statements for the year ended 31 December 2020 are restated to record the amortisation of these other intangible assets (refer note 35).

Identifiable assets acquired and liabilities assumed

The following table summarises the finalised amounts of assets acquired and liabilities assumed at the date of acquisition.

	Finalised fair values
Fair value of the net identifiable assets acquired	550,117
Fair value of the net identifiable liabilities assumed	(762,396)
Fair value of total net identifiable liabilities acquired	(212,279)

Finalised goodwill on acquisition

Finalised goodwill arising from the acquisition has been recognised as follows.

	Finalised goodwill
Total consideration transferred	1,035,540
Non-controlling interest	-
Sub-total	1,035,540
Add: Contingent consideration	59,400
Add: Finalised fair value of net identifiable liabilities	212,279
Currency translation impact	(13,129)
Finalised goodwill	1,294,090

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13. Goodwill and other intangible assets (continued)

a) Acquisition of subsidiaries (continued)

Residual goodwill being the excess of the cost of the business combination over the Group's interest in the net fair value of the identifiable assets and liabilities. It is recognised under "Goodwill" and allocated to each cash-generating unit likely to benefit from the business combination. Subsequently, this goodwill is valued at cost less any impairment losses in accordance with the method described in the paragraph "Impairment testing of goodwill".

Impairment testing of goodwill

Cash generating units	**Carrying value of goodwill 2021**	Carrying value of goodwill 2020 *(Restated)*
Inetum France	**1,519,919**	1,514,056
Inetum Spain	**1,392,635**	1,482,331
Inetum Portugal	**166,840**	176,264
Inetum Benelux	**595,934**	640,258
Inetum Switzerland	**29,536**	30,959
Inetum East of Europe	**134,457**	142,947
Inetum Latin America	**163,280**	172,845
Inetum Africa	**78,023**	83,271
Damas UAE (refer (c))	**451,942**	451,942
	4,532,566	4,694,873

The Group has 11 CGUs (2020: 11 CGUs), of which 2 CGUs are in France and 2 CGUs are in Spain.

France bears 34% (2020: 32%) of the Group's goodwill. This amounted to QR 1,519.9 million as at 31 December 2021 and includes QR 1,234.2 million for the "Service Business" CGU and QR 285.7 million for the "Software Business" CGU.

Key assumptions used in value in use calculations (excluding Inetum S.A. and its related CGUs)

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

Discount rates
Discount rates reflect management's estimate of the risks specific to each unit. Discount rates are based on a weighted average cost of capital for each CGU.

As at and for the year ended 31 December 2021 In Thousands of Qatari Riyals

13. Goodwill and other intangible assets (continued)

a) Acquisition of subsidiaries (continued)

Impairment testing of goodwill (continued)

Growth rate estimates
For the periods beyond that covered by the projections, long-term growth rates are based on management's best estimates of the growth rates. Business projections are based on operating budgets set by management for the 2021 financial year.

	(Expressed in percentage)			
	Discount rate		Terminal value growth rate	
Cash generating units	**2021**	2020	**2021**	2020
Inetum France*	-	9.5%	-	2.0%
Inetum Spain*	-	10.1%	-	2.0%
Inetum Portugal*	-	10.2%	-	2.0%
Inetum Benelux*	-	9.6%	-	2.0%
Inetum Switzerland*	-	9.5%	-	2.0%
Inetum East of Europe*	-	10.0%	-	2.0%
Inetum Latin America*	-	12.0%	-	2.0%
Inetum Africa*	-	12.2%	-	2.0%
Damas UAE (refer (c))	**8.5%**	-	**2.5%**	-

***Impairment testing for Inetum S.A. and its related CGUS.**

Management has used market approach to determine the recoverable amount of its CGUs whose carrying amount is to be principally recovered through sale rather than continuing use. Owing to the Board of Director's approval (refer note 36), over entering into exclusive negotiations to dispose of the Group's entire shareholding in Inetum S.A, management is able to reliably determine the recoverable amount of the related CGUs using the fair value less costs of disposal method, which is higher than the carrying amount of the related CGUs. Accordingly, in light of requirements of IAS 36 'Impairment of assets', management has concluded that no impairment exists.

Sensitivity testing and goodwill impairment losses for each CGUs (excluding Inetum S.A. and its related CGUs)

Management has identified that a reasonably possible change in two key assumptions could cause the carrying amount to exceed the recoverable amount. The following table shows the percentage by which these two assumptions would need to change individually for the carrying amount to exceed the estimated recoverable amount.

Assumptions	**Change required for carrying amount to exceed recoverable amount**
Discount rate	50 basis points
Terminal growth rate	50 basis points

13. Goodwill and other intangible assets (continued)

b) Allocation of trade name to cash generating units for impairment

Trade name was valued using the Relief from Royalty Method (RRM), which assumes that the intangible asset has a fair value based on royalty income attributable to it. Royalty income would represent the cost savings by Group where it is not required to pay royalties to a third party for the license to use the intangible asset. The recoverable amount of this asset is determined based on a value in use calculation which uses royalty projections based on financial budgets approved by the management covering a five-year period and terminal value based on Gordon Growth Model and discounted to present value. Any change in key assumptions on which the recoverable amount is based may cause the aggregate carrying amount of trade name to exceed the aggregate recoverable amount of the asset. The key assumptions used in value in use for the trade name are as follows:

(i) Royalty rate – management applied a royalty rate of 2.5% (2020: 2.5%).

(ii) Budgeted growth rate - the budgeted sales growth rate is assumed to be CAGR of 9% (2020: 9%) over the forecast period. The growth rate is considered appropriate by management considering the nature of the industry and the general growth in the economic activity witnessed in the countries where these entities operate.

(iii) Terminal value has been derived by reference to the Gordon Growth Model assuming a steady level of operations beyond the discrete period. Terminal period cash flows are assumed to grow at a perpetual growth rate of 2.5% (2020: 2.5%) which is based on UAE's long term CPI and GDP growth rates.

(iv) Discount rate of 9.5% (2020:9.5%) per annum based on CAPM, inclusive of 1% (2020: 1%) premium to cover the inherent risk.

A change in either discount rate or royalty rate by 25 basis points, would cause the carrying amount to exceed the recoverable amount of the trade name.

c) Recognition of impairment loss

In connection with the pending impairment testing exercise pertaining to the year 2019 and 2020, for Damas UAE (CGU), the carrying amount of QR 1,200.3 million (goodwill of QR 530.3 million and Trade name of QR 670.0 million), was determined to be higher than its recoverable amount, hence, accordingly the annual consolidated financial statements as of and for the year ended 31 December 2019 and 31 December 2020 were restated to this effect. The recoverable amount of the CGU based on value-in-use calculation was subjected to sensitivities for certain key assumptions due to the growth forecasts and instability in the economic environment. As part of the impairment exercise, the economic situation and risk profile of the geography in which the CGU operates were reflected in growth assumptions. A change in certain key assumptions such as forecasted sales, EBITDA margins, terminal growth rate etc. over the prior years caused the carrying amount to exceed the recoverable amount. Hence, an impairment loss of QR 270.6 million was recorded against goodwill and other intangible assets (refer note 35).

In Thousands of Qatari Riyals

14. Property, plant and equipment

	Land and buildings	Plant and machinery	Furniture and equipment	Motor vehicles	Assets on hire	Capital work-in-progress	Total
Cost							
At 1 January 2021	854,111	307,595	763,072	48,021	66,552	16,539	2,055,890
Acquired through business combination	20	61	5,667	-	-	-	5,748
Additions	7,780	29,642	59,469	10,495	14,298	22,616	144,300
Disposals/other adjustments	(4,837)	(10,368)	(16,756)	(9,582)	(14,977)	-	(56,520)
Write-offs	-	(507)	(7,873)	-	-	-	(8,380)
Reclassifications	3,071	4,303	21,368	-	-	(28,742)	-
Exchange difference on translation of foreign currency	(10,167)	(10,315)	(34,860)	(375)	1	270	(55,446)
At 31 December 2021	849,978	320,411	790,087	48,559	65,874	10,683	2,085,592
Accumulated depreciation							
At 1 January 2021	255,798	246,142	579,499	29,087	27,479	-	1,138,005
Acquired through business combination	19	25	4,509	-	-	-	4,553
Depreciation charge for the year	23,740	18,326	66,026	4,606	12,426	-	125,124
Relating to disposals /other adjustments	(4,837)	(10,316)	(14,214)	(5,276)	(9,119)	-	(43,762)
Write-offs	-	(507)	(7,713)	-	-	-	(8,220)
Internal transfer	-	197	(214)	17	-	-	-
Exchange difference on translation of foreign currency	(4,775)	(8,704)	(28,221)	(59)	2	-	(41,757)
At 31 December 2021	269,945	245,163	599,672	28,375	30,788	-	1,173,943
Net carrying amount							
At 31 December 2021	580,033	75,248	190,415	20,184	35,086	10,683	911,649

In Thousands of Qatari Riyals

14. Property, plant and equipment (continued)

	Land and buildings	Plant and machinery	Furniture and equipment	Motor vehicles	Assets on hire	Capital work-in-progress	Total
Cost							
At 1 January 2020	758,027	212,057	556,134	49,239	73,372	78,678	1,727,507
Acquired through business combination	-	60,851	135,768	-	-	-	196,619
Additions	21,848	21,857	45,955	8,737	27,189	8,715	134,301
Disposals/other adjustments	(9,191)	(3,441)	(9,513)	(9,912)	(33,829)	(715)	(66,601)
Write-offs	-	(158)	(30,050)	-	-	-	(30,208)
Reclassifications	58,471	-	11,789	180	(180)	(70,260)	-
Exchange difference on translation of foreign currency	24,956	16,429	52,989	(223)	-	121	94,272
At 31 December 2020	854,111	307,595	763,072	48,021	66,552	16,539	2,055,890
Accumulated depreciation							
At 1 January 2020	223,516	167,816	401,084	29,940	32,399	-	854,755
Acquired through business combination	-	49,368	114,747	-	-	-	164,115
Depreciation charge for the year	22,934	13,807	54,537	4,574	12,396	-	108,248
Impairment	-	3,588	147	-	-	-	3,735
Relating to disposals /other adjustments	(9,023)	(2,477)	(8,780)	(5,557)	(17,131)	-	(42,968)
Write-offs	-	(143)	(26,546)	-	-	-	(26,689)
Exchange difference on translation of foreign currency	18,371	14,183	44,310	130	(185)	-	76,809
At 31 December 2020	255,798	246,142	579,499	29,087	27,479	-	1,138,005
Net carrying amount							
At 31 December 2020	598,313	61,453	183,573	18,934	39,073	16,539	917,885

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14. Property, plant and equipment (continued)

i. Capital work-in-progress

Capital work-in-progress mainly includes the ongoing cost of new head office complex project.

15. Investment properties

	2021	2020
Cost		
At 1 January	**20,774**	22,074
Disposals (refer note (b) below)	**(18,036)**	(1,300)
Exchange difference on translation of foreign currency	**(160)**	-
At 31 December	**2,578**	20,774
Accumulated depreciation/impairment		
At 1 January	**10,834**	10,328
Charge for the year	**210**	1,194
Disposals (refer note (b) below)	**(9,281)**	(686)
Exchange difference on translation of foreign currency	**(78)**	(2)
At 31 December	**1,685**	10,834
Carrying amount as at 31 December	**893**	9,940

a) Valuation

The group's investment properties are stated at historical cost, less any accumulated depreciation and accumulated impairment losses. The fair value measurements of the group's land and buildings as at 31 December 2021 was performed internally using the market comparable approach or investment value approach that derives value based on expected rental yields. The valuation approach is based on an individual assessment for each property type. Based on this it was concluded that the carrying value of investment properties was not significantly different from the fair value. The fair value measurement for all investment properties has been categorised as a Level 3 fair value based on the inputs to the valuation technique used.

b) Disposal of investment properties

During the year, the Group has sold investment properties having book values of QR 8.8 million (2020: QR 0.6 million) at a consideration of QR 23.6 million (2020: QR 0.9 million). Accordingly, gain on sale of investment properties amounting to QR 14.8 million (2020: QR 0.3 million) has been recognized, which is included in 'other income' in the consolidated statement of income (refer note 26).

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16. Income tax expense

Accounting treatment of French Business Value Added Tax (CVAE)

The CVAE, which according to the Group's analysis complies with the definition of an income tax asset as set forth in IAS 12, is recorded under income tax.

For the year ended 31 December 2021, the CVAE amounts to QR 24 million (2020: QR 46 million).

16.1 Reconciliation of theoretical and actual income tax expense

Income tax expense from subsidiaries

	2021	2020 *(Restated)**
Inetum S.A. (i)	**120,850**	122,689
Other subsidiaries	**3,818**	2,235
	124,668	124,924

(i) The reconciliation between the tax expense and the product of the accounting profit multiplied by the applicable tax rate is as follows:

	2021	2020 *(Restated)*
Profit before corporation tax	**418,291**	211,005
Tax rate	**27.5%**	31%
Theoretical tax	**115,030**	65,412
Adjustments (1)	**5,820**	61,495
Impact of restatement (refer note 35)	**-**	(4,218)
Income tax expense	**120,850**	122,689
Of which: Current tax	**97,557**	88,326
Deferred taxes	**23,293**	34,363
	120,850	122,689

(1) Adjustments include impact of tax losses not recognised as deferred tax assets, permanent tax differences, impact of CVAE, tax savings from non-taxable income and other tax related adjustments.

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16. Income tax expense (continued)

16.2 Deferred taxes

At 31 December 2021, the sources of deferred taxes were as follows:

	2021	2020 *(Restated)**
Net deferred tax – French companies		
Temporary differences arising from tax declarations	2,001	1,090
Temporary differences arising from consolidation adjustments	18,224	31,194
	20,225	32,284
Net deferred tax – other foreign companies		
Tax timing differences	25,614	24,951
Tax loss carry-forwards recognised	33,874	62,565
Customer relationships	(60,028)	(39,475)
Assets developed internally and related taxation	24,359	44,442
Net impact of restatement	-	(109,104)
Others	(11,605)	50,654
	12,214	34,033
Net deferred tax – foreign companies	32,439	66,317

Presented in the consolidated statement of financial position as:

	2021	2020 *(Restated)**
Deferred tax assets	56,816	108,948
Deferred tax liabilities	(24,377)	(42,631)
	32,439	66,317

**Refer note 35*

17. Interest bearing loans and borrowings

	2021	2020
Working capital facilities and others (a)	1,979,805	1,817,113
Term loans (b)	4,528,440	5,056,221
Liabilities to bondholders (c)	776,646	834,553
	7,284,891	7,707,887

Presented in the consolidated statement of financial position as follows:

	2021	2020
Current	2,742,959	2,001,117
Non-current	4,541,932	5,706,770
	7,284,891	7,707,887

Notes:

(a) During the current and previous year, the Group obtained short term loans from commercial banks mainly to finance working capital requirements. These loans carry interest at commercial rates and have a varying maturity between 6 to 12 months.

17. Interest bearing loans and borrowings (continued)

(b) This represents term loan facilities obtained from commercial banks. These loans carry interest at commercial rates and are to be repaid at quarterly or semi-annual basis. Some of these interest-bearing loans and borrowings are secured by:

- Fixed deposits amounting to QR 1.1 million (2020: QR 2.6 million) (note 7)
- Negative pledge on all the assets owned by the Group
- Corporate cross guarantees

(c) On 20 May 2020 and 23 December 2020, one of the foreign subsidiaries of the Group, issued two bond loans with nominal values of QR 177.2 million and QR 265.8 million respectively. The interest rates of both the bond loans are 4% until 20 May 2021 and after that interest rates will be based on leverage ratios with a maximum cap of 3.75%. The maturity of both the bond loans is 20 May 2027.

(d) In addition to the above loans, one of the Group's foreign subsidiaries has outstanding gold loans as at 31 December 2021 received from bullion banks on an unfixed basis aggregating to 2,232 Kgs of gold (2020: 2,642 Kgs). As at 31 December 2020, the aggregate bank borrowings including the above unfixed gold loans amount to QR 745.7 million (2020: QR 896.8 million). These gold loans are covered by way of stand-by-letters of credit issued in favor of these bullion banks which are presented as part of the Group's contingencies and commitments disclosure in note 31.

(e) For 2021, the Group's management has obtained waiver from one of the banks before the reporting date in relation to one of the covenant breaches related to current ratio which was temporarily in breach.

18. Leases

The Group leases several assets which includes office buildings, showrooms, warehouses, properties (for accommodation) and vehicles. The average lease term is 2 to 5 years with an option to renew the lease after that date. Lease payments are renegotiated on regular basis to reflect market rentals. Some leases provide for additional rent payments that are based on changes in local price indices. For certain leases, the Group is restricted from entering into any sub-lease arrangements. The lease agreements do not impose any covenants, but leased assets may not be used a security for borrowing purposes.

The office buildings, showrooms, warehouses leases were entered into many years ago as combined leases of land and buildings. Previously, these leases were classified as operating leases under IAS 17.

The Group leases properties for staff accommodation. Majority of 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. Further, the Group leases vehicles and equipment on short-term basis where it does not recognise right of use assets and lease liabilities.

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

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18. Leases (continued)

a) Right-of-use assets

	2021	2020
At 1 January	**623,599**	605,241
Amortisation charge for the year	**(219,734)**	(232,672)
Additions to right-of-use assets during the year	**28,897**	61,503
Derecognition to right-of-use assets during the year	**(1,546)**	(24,951)
Impact from modifications of leases (i)	**105,108**	76,652
Net additions due to business combinations	**7,276**	100,711
Exchange difference on translation of foreign currency	**(22,788)**	37,115
At 31 December	**520,812**	623,599

b) Lease liabilities

	2021	2020
At 1 January	**638,218**	627,830
Additions during the year	**28,897**	61,503
Derecognition during the year	**(1,609)**	(27,120)
Additions due to business combinations	**7,483**	99,400
Impact from modification of leases (i)	**97,691**	74,738
Lease concessions related to Covid-19 (ii)	**(877)**	(11,917)
Interest expense	**19,010**	20,801
Payment of lease liabilities	**(215,466)**	(238,785)
Exchange difference on translation of foreign currency	**(28,901)**	31,768
	544,446	638,218

Presented in the consolidated statement of financial position as follows:

	2021	2020
Current	**191,515**	192,929
Non-current	**352,931**	445,289
	544,446	638,218

Note (i):
The Group and the respective lessors, in case of certain leases, have agreed to amend the lease considerations while the other terms being unchanged. At the effective date of the modification, the Group remeasured the lease liability based on the remaining lease term, revised lease rates, and the Group incremental borrowing rate. On the respective modification dates, the Group has recognised the difference between the carrying amount of the modified lease liability and the lease liability immediately before the modification as an adjustment to the right-of-use assets.

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18. Leases (continued)

Note (ii):
As a consequence of the COVID -19 pandemic, the Group received lease concessions from certain landlords. There are no other changes to the terms and conditions of the lease agreements. The Group decided to apply practical expedient as per IFRS 16 and elected not to assess whether a COVID-19 related lease concession from the landlord is a lease modification. Accordingly, the forgiven lease payments amounting to QR 0.9 million for the year ended 31 December 2021 (2020: QR 11.9 million), were recognised as a negative variable lease expense in the profit or loss.

c) *Amounts recognised in profit or loss*

	2021	2020
Interest on lease liabilities	**19,010**	20,801
Amortisation of right-of-use assets	**219,734**	232,672
	238,744	253,473

19. Accounts payable and accruals

	2021	2020 *(Restated)**
Trade accounts payable	**1,859,342**	1,708,530
Accrued expenses and others	**1,826,826**	1,344,748
Tax and social security payable	**1,387,103**	1,524,178
Advances from customers	**352,740**	583,811
Derivative financial liability	-	7,521
Dividend payable	**3,965**	4,181
	5,429,976	5,172,969

Presented in the consolidated financial statements as:

	2021	2020 *(Restated)**
Current portion	**5,343,281**	5,148,779
Non-current portion	**86,695**	24,190
	5,429,976	5,172,969

**Refer Note 35*

20. Employees' end of service benefits

	2021	2020
Employees' end of service benefits (a)	**133,147**	126,961
Retirement benefit plans (b)	**286,881**	302,591
At 31 December	**420,028**	429,552

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20. Employees' end of service benefits (continued)

(a) Employees' end of service benefits

Movement in the provision recognised in the consolidated statement of financial position are as follows:

	2021	2020
At 1 January	**126,961**	129,670
Provided during the year	**20,231**	21,606
End of service benefits paid	**(13,760)**	(24,292)
Exchange difference on translation of foreign currency	**(285)**	(23)
At 31 December	**133,147**	126,961

(b) Retirement benefit plans

The total value of the Group's total post-employment indemnities payable in France changed as follows:

	2021	2020
Provision for retirement indemnities at 1 January	**302,591**	265,167
Additions due to business combinations	**1,843**	-
Cost of services rendered during the year	**24,068**	23,755
Amount paid for severance / retirement in the year	**(25,683)**	(16,148)
Changes in actuarial differences	**(1,870)**	2,944
Exchange difference on translation of foreign currency	**(14,068)**	26,873
	286,881	302,591

The legal and conventional indemnities are provisioned for each of the salaried employees of the Group present according to their theoretical seniority on the date of their retirement, according to IAS 19 revised.

These commitments are based on the assumption that in all cases employees will leave at their own initiative. The calculation of the commitments includes:

- An attendance coefficient based on turnover by age bracket; the average in 2021 was 9% (2020:12%);
- Average salary increase rate is calculated by age and category
- 2015-2017 INSEE mortality tables by gender.
- The life of the plan is estimated at 11.2 years, the discount rate used is 0.78% (2020: 0.54%).
- Average rate of social charges applied: 47%.

As regards to sensitivity, a decrease in the discount rate by 25 basis point would generate a 3% increase in the commitment.

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21. Share capital

	2021	2020
Authorised, issued and fully paid shares of QR 1 each	**456,192**	456,192

22. Reserves

(a) Legal reserve

As required by Qatar Commercial Companies Law, 10% of the profit for the year is required to be transferred to a legal reserve, until such reserve equals 50% of the issued share capital. The Group has resolved to cease such annual transfers as the legal reserve has reached the minimum required level. Further, during 2012, an amount of QR 933.4 million, being the net share premium amount arising out of the rights issue was transferred to legal reserve in accordance with requirements of the above law. The reserve is not generally available for distribution except in the circumstances stipulated in the above law

(b) Acquisition reserve

In case of acquisitions or disposal of subsidiaries without change in control, the difference between the decrease/increase in the non-controlling interests and the consideration paid or received is recognised as 'acquisition reserve' directly in equity attributed to the shareholders of the Company.

(c) Other reserve

This includes revaluation reserve amounting to QR 4.6 million (2020: QR 4.6 million), in actuarial differences – net of related tax amounting to QR 54.8 million (2020: QR 52.9 million), and other consolidation related adjustments amounting to QR 7.0 million (2020: QR 7.3 million).

(d) Foreign currency translation reserve

The translation reserve comprises all foreign currency differences arising from the translation of the financial statements of foreign operations.

23. Proposed dividends

The Board of Directors has proposed a total cash dividend of QR 0.30 per share aggregating to QR 136.86 million for the year 2021 (2020: QR 0.01 per share totalling to QR 4.56 million), which is subject to the approval of the shareholders at the Annual General Assembly. During the year, the dividend paid amounted to QR 4.5 million (2020: QR 91.24 million).

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24. Revenue

	2021	2020
Revenue from contracts with customers	**14,406,970**	12,388,482

A. Disaggregation of revenue from contracts with customers

Revenue from contracts with customers disaggregated by major products and service lines, and primary geographical markets is listed in notes 25(a) and 25(b) respectively. The ten top customers of the Group represent nearly 19% of the consolidated turnover for 2021. None of these ten customers alone represents more than 10% of the turnover of the Group.

B. Contract balances

The following table provides information about contract assets and contract liabilities from contracts with customers.

	2021	2020
Contract assets	**2,148,318**	1,487,582
Contract liabilities	**(756,189)**	(659,600)

The contract assets primarily relate to the Group's rights to consideration for work completed but not billed at the reporting date. The amount of contract assets during the year ended 31 December 2021 was impacted by an impairment charge of QR 14.7 million (2020: QR 13.3 million). 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. As at 31 December 2021, the amount is QR 756.2 million (2020: QR 659.6 million). This will be recognised as revenue when the obligation to transfer goods or services are fulfilled, which is expected to occur over the future.

25. Segment information

The Group classified the reporting segment based on its product and services as follows:

- Information technology
- Auto group
- Energy and industrial markets
- Geotechnical services
- Logistics
- Travel
- Engineering
- Jewellery trading
- Telecom retail
- Others

25. Segment information (continued)

Management monitors the operating results of the operating segments to make decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profit or loss and is measured consistently with operating profit or loss in the consolidated financial statements. Transfer prices between operating segments are on an arm's length basis in a manner similar to transactions with third parties.

Segment assets and liabilities comprise operating assets and liabilities which are directly handled by the operating segment and income or expenses that are attributed in line with the assets and liabilities allocated. The following table summarises the performance of the operating segments:

In Thousands of Qatari Riyals

25. Segment information (continued)

(a) By operating segments

31 December 2021	Information technology	Auto Group	E&I markets	Geotechnical services	Logistics	Travel	Engineering	Jewellery Trading	Telecom Retail	Others	Total
Revenue	12,054,986	786,613	224,910	61,320	22,851	24,837	72,233	1,057,562	-	101,658	14,406,970
Gross profit	2,541,540	141,588	39,542	17,212	12,335	22,526	10,833	262,805	-	44,589	3,092,970
EBITDA[1]	1,040,100	80,684	21,766	7,038	7,710	11,276	5,786	103,532	(17,356)	(18,331)	1,242,205
Depreciation and amortisation	(362,990)	(17,631)	(2,042)	(5,030)	(244)	(7,694)	(3,306)	(71,111)	-	(26,771)	(496,819)
Income tax	(122,482)	(489)	(4)	-	(12)	-	-	(1,348)	-	(333)	(124,668)
Segment assets	10,679,625	495,746	91,607	64,366	21,617	47,840	74,308	1,416,637	807,946	2,521,526	16,221,218
Segment liabilities	8,070,957	114,536	51,288	49,191	8,233	19,317	73,309	538,987	-	5,095,539	14,021,357
Other information											
Share of results and impairment losses from joint venture and associate companies	-	-	-	-	-	-	-	39,571	(17,356)	1,087	23,302
Investments in joint venture and associate companies	-	-	-	-	-	-	-	155,101	807,946	17,138	980,185

[1] *Earnings before interest, tax, depreciation and amortisation*

In Thousands of Qatari Riyals

25. Segment information (continued)

(a) By operating segments (continued)

31 December 2020	Information technology	Auto Group	E&I markets	Geotechnical services	Logistics	Travel	Engineering	Jewellery Trading	Telecom Retail	Others	Total
Revenue	10,538,041	603,836	209,220	42,719	22,584	11,960	74,444	797,561	-	88,117	12,388,482
Gross profit	2,190,746	125,016	38,637	12,488	12,728	9,559	11,528	196,480	-	48,934	2,646,116
EBITDA[1] *(Restated)*	869,438	69,251	21,647	1,694	8,712	(2,115)	2,681	7,129	(18,376)	24,098	984,159
Depreciation and amortisation *(Restated)**	(337,434)	(20,522)	(2,392)	(3,828)	(481)	(6,793)	(3,999)	(66,754)	-	(25,504)	(467,707)
Income tax *(Restated)**	(124,089)	(126)	(3)	-	(11)	(5)	(2)	(228)	-	(460)	(124,924)
Segment assets *(Restated)*	10,612,824	641,986	110,155	40,716	24,137	26,819	72,729	1,459,559	825,302	2,511,437	16,325,664
Segment liabilities *(Restated)*	8,354,956	210,295	45,052	26,059	10,172	8,097	71,614	585,234	-	4,963,336	14,274,815
Other information											
Share of results and impairment losses from joint venture and associate companies	-	-	-	-	-	-	-	28,951	(18,376)	(2,182)	8,393
Investments in joint venture and associate companies	-	-	-	-	-	-	-	149,109	825,302	16,051	990,462

**Refer note 35*
[1] *Earnings before interest, tax, depreciation and amortisation*

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25. Segment information (continued)

(b) By geography

31 December 2021	Qatar	Other GCC countries	Europe	Others	Total
Revenue	3,779,072	1,057,562	9,543,847	26,489	14,406,970
Gross profit	646,865	262,805	2,176,284	7,016	3,092,970
EBITDA[1]	381,731	71,177	780,159	9,138	1,242,205
Depreciation and amortisation	(88,462)	(71,111)	(336,896)	(350)	(496,819)
Income tax	(349)	(1,348)	(120,849)	(2,122)	(124,668)
Segment assets	5,326,010	2,225,875	8,639,506	29,827	16,221,218
Segment liabilities	6,624,798	541,191	6,847,043	8,325	14,021,357
Other information					
Share of results and impairment losses from joint venture and associate companies	1,087	22,215	-	-	23,302
Investment in joint venture and associate companies	17,137	963,048	-	-	980,185

[1] *Earnings before interest, tax, depreciation and amortisation*

As at and for the year ended 31 December 2021 In Thousands of Qatari Riyals

25. Segment information (continued)

(b) By geography (continued)

31 December 2020	Qatar	Other GCC countries	Europe	Others	Total
Revenue	3,286,853	797,561	8,248,705	55,363	12,388,482
Gross profit	589,920	196,480	1,852,194	7,522	2,646,116
EBITDA[1] *(Restated)*	358,983	(11,247)	630,495	5,928	984,159
Depreciation and amortisation *(Restated)**	(89,676)	(66,754)	(310,926)	(351)	(467,707)
Income tax *(Restated)**	(481)	(228)	(122,687)	(1,528)	(124,924)
Segment assets *(Restated)*	5,064,963	2,286,158	8,942,839	31,704	16,325,664
Segment liabilities *(Restated)*	6,337,197	587,449	7,342,704	7,465	14,274,815
Other information					
Share of results and impairment losses from joint venture and associate companies	(2,182)	10,575	-	-	8,393
Investment in joint venture and associate companies	16,051	974,411	-	-	990,462

**Refer note 35*
[1]*Earnings before interest, tax, depreciation and amortisation*

Note: Segment assets include goodwill and other intangibles of QR 4,889.5 million (2020: QR 5,103.2 million allocated to Inetum S.A. and QR 929.8 million (2020: QR 929.8 million) allocated to Damas UAE.

(c) Reconciliation of reported amounts

	2021	2020 *(Restated)*
EBITDA as per operating and geography segments	**1,242,205**	984,159
Less: Finance costs (i) (ii)	**(345,091)**	(389,733)
Less: Depreciation and amortisation	**(496,819)**	(467,707)
Profit before tax	**400,295**	126,719

(i) Information technology 66% (2020: 64%), jewellery trading 8% (2020: 9%), auto group 5% (2020: 5%) and other business units 21% (2020: 22%).

(ii) Qatar including other GCC countries 68% (2020: 71%), Europe 32% (2020: 29%).

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26. Other income

	2021	2020
Gain on sale of intangible assets	-	6,081
Gain on sale of property plant and equipment	2,013	701
Write back of provisions / liabilities no longer required	-	974
Reversal of impairment loss / collections from written off other receivables	-	1,102
Gain on sale of investment properties (note 15(b))	14,878	349
Foreign exchange gain	8,712	6,175
Miscellaneous income	54,417	48,277
	80,020	63,659

27. General and administrative expenses

	2021	2020
Staff costs	704,130	614,676
Legal and professional fees	194,097	146,430
Tax and levies	80,123	74,967
Short-term and low value lease rentals	30,746	30,899
Repairs and maintenance expenses	120,822	107,307
Communication expenses	46,188	47,626
Travelling expenses	16,380	15,677
Directors' remuneration	12,930	-
Insurance expenses	25,834	23,513
Bank charges	15,139	13,613
Printing and stationery expenses	15,082	14,565
Utility charges	15,095	13,536
Other administrative expenses and allowances	193,723	146,673
	1,470,289	1,249,482

28. Selling and distribution expenses

	2021	2020
Staff costs	384,719	345,420
Short-term and low value lease rentals	17,024	10,780
Advertisement and other promotion expenses	74,790	57,406
	476,533	413,606

29. Earnings per share

Basic earnings per share is calculated by dividing the profit for the year by the weighted average number of ordinary shares outstanding during the year.

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29. Earnings per share (continued)

	2021	2020 (Restated)*
Profit for the year attributable to the shareholders of the Company	276,076	1,659
Weighted average number of shares outstanding during the year (refer note 21)	456,192,000	456,192,000
Basic and diluted earnings per share (QR) (attributable to the shareholders of the Company)	0.605	0.004

**Refer note 35*

30. Related party disclosures

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

(a) Related party transactions

Transactions with related parties included in the consolidated statement of income are as follows:

Nature	Relationship	2021	2020
Sales	Affiliates	74,327	63,037
Purchases	Affiliates	1,328	2,216

(b) Related party balances

	2021	2020
Due from related parties		
Receivable from joint venture companies and associates	33,813	40,169
Long term loans to joint venture companies and associates	48,602	46,534
	82,415	86,703
Presented in the statement of financial position as follows:		
Current	33,813	40,169
Non-current	48,602	46,534
	82,415	86,703
Due to related parties		
Payable to joint venture companies and associates	4,543	2,945
	4,543	2,945

Long term loans to joint venture companies and associates are unsecured and carry interest as per the contractual arrangements between the respective counterparties. Th non-current portion of these loans are not expected to be recalled within a period of twelve months from the reporting date.

Outstanding balances at 31 December 2021 and 2020 arose in the normal course of business.

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30. Related party disclosures (continued)

(c) Terms and conditions of transactions with related parties

The sales to and purchases from related parties are made at terms equivalent to those that prevail in arms-length transactions. Outstanding balances at the reporting date are unsecured, interest free and the settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables.

(d) Compensation of key management personnel

The remuneration of key management personnel during the year is as follows:

	2021	2020
Short term benefits	**10,965**	11,832
Post-employment benefits	**606**	632
	11,571	12,464
Directors' remuneration	**12,930**	-

31. Contingencies and commitments

(a) Contingent liabilities

i) Contract with one of the customers of the Group's subsidiary was terminated on 15 June 2019, after the customer expressed his willingness to suspend and redesign the project because of low financial results and financial difficulties. The changes wanted by the customer would modify the initial contract, thus the subsidiary sent a termination letter to the customer including a termination fee of QR 70.9 million (EUR 16 million). Subsequent to this, the subsidiary filed a legal case against the customer claiming for QR 87.7 million (EUR 19.8 million) (consisting of termination fees and damages and interests). The customer also filed a counter claim amounting to QR 53.2 million (EUR 12.0 million). On 10 September 2020, the customer was declared bankrupt and the receivables amounting to QR 61.2 million (EUR 13.9 million) was fully provided for. The case is still on-going to recover the claimed amount from the customer. The subsidiary has assigned lawyers to handle this case, and it believes that the risk related to customer claims is limited, hence, no provision has been set up regarding these claims in the consolidated financial statements.

ii) In 2017, one of the subsidiaries of the Group, entered into agreement with a consultant for provision of licensing and maintenance of a customised IT solution service to a French insurance broker. During the contract period, the consultant unilaterally withdrew from the project by descoping its IT teams and stopped any future payments to the subsidiary. Following the consultant's decision, the subsidiary stopped its service delivery in November 2017. The consultant had filed a legal case against the subsidiary first time on May 2018 which was rejected and a second time on 12 July 2018 at Paris Court claiming an amount of QR 176.2 million from the subsidiary. The court has assigned an expert who will furnish the final report in June 2022. Due to the significant uncertainty of the outcome, QR 8.9 million have been provided for by the subsidiary's management. The remaining unprovided receivable balance amounts to QR 6.2 million.

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31. Contingencies and commitments (continued)

(a) Contingent liabilities (continued)

iii) As of the reporting date, one of the joint ventures of the Group, is claimant and defendant in a legal proceeding in relation to outstanding receivable from one of its customers. The customer has stopped making payments to the joint venture, which has delayed the receipt of funds against the carried out work. The joint venture had filed a legal case, whereby the joint venture had claimed a cumulative amount of QR 12.1 million in respect of outstanding receivables. The customer had made a counterclaim of QR 10.0 million against the joint venture for non-performance under the contract.

During the year, the Court of First Instance decided the matter in favor of the joint venture. However, the customer filed an appeal against the decision of the Court of First Instance, which is currently pending in the Court of Appeal and position against the case is still developing as of the date of authorization of these consolidated financial statements. Based on the opinion of legal advisor, legal proceedings so far and the merits of the case, no additional provision has been recorded for any potential loss arising from this case as at 31 December 2021.

iv) Management makes estimates and judgments concerning the future position of the on-going contracts, which includes but are not limited to the provisions, arbitrations and claims of particular relevance. For this reporting period, management has estimated that the Group will not incur any liquidated damage charge due to delays in completion of certain contracts. Management has already applied for extension of time on these on-going contracts wherever required and is confident that the extension will be awarded to the Group. Estimates and assumptions are continuously evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the current circumstances.

v) Under the bank facilities agreement, cross guarantees exist between certain Group companies, which could be enforced by the financiers, if the borrowers were to be in default of the finance agreement. Each member of the Group is therefore irrevocably, unconditionally and jointly and severally liable as principal obligor. The amount of Group facilities outstanding is as follows:

	2021	2020
Letters of guarantees	**1,381,836**	1,260,356
Letters of credit	**40,058**	32,603
Stand-by letters of credit	**672,104**	762,300
	2,093,998	2,055,259

The stand-by letters of credit are provided by commercial banks in favour of the suppliers of gold who have loaned gold on an unfixed basis to the Group (refer note 17 (d)).

(b) Commitments

Capital commitments

	2021	2020
Capital work in progress – contracted but not provided for	**3,288**	16,618

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31. Contingencies and commitments (continued)

(c) Contingent liabilities and commitments related to joint ventures and associates

	2021	2020
Contingent liabilities		
- Guarantees	**38,372**	31,350
- Letters of credit	**38,019**	51,876
	76,391	83,226

Certain operating lease commitments relating to previously held interest in an associate have been reclassified due to conversion of associate to subsidiary during the year, hence, they are not comparable.

32. Financial instruments

Financial instruments represent any contractual agreement that creates a financial asset, financial liability or an equity instrument. The Group's principal financial liabilities comprise interest bearing loans and borrowings, bank overdrafts, accounts payable, amounts due to related parties and other payables. The main purpose of these financial liabilities is to finance the Group's operations. The Group's financial assets comprise bank balances and cash, accounts and retention receivable, investments at fair value through profit or loss, investments through OCI, amounts due from related parties and certain other receivables that arise directly from its operation.

Fair value measurements

This note provides information about how the Group determines fair values of various financial assets and financial liabilities.

Some of the Group's financial assets and financial liabilities are measured at fair value at the end of each reporting period. The following table gives information about how the fair values of these financial assets and financial liabilities are determined.

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 observable market data (unobservable inputs)

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32. Financial instruments (continued)

Fair value measurements (continued)

Derivative and non-derivative financial assets / (financial liabilities)	Classification	As at 31 December 2021 Carrying value QR'000	As at 31 December 2021 Fair value QR'000	Fair value Hierarchy
Bank balances and cash[1]	Amortised cost	**1,039,061**	-	-
Accounts and other receivables[1]	Amortised cost	**2,839,409**	-	-
Financial assets at fair value through other comprehensive income	FVOCI	**8,366**	**8,366**	**Level 3**
Financial assets at fair value through profit or loss	FVTPL	**3,444**	**3,444**	**Level 3**
Amount due from related parties[1]	Amortised cost	**82,415**		
Bank overdrafts[1]	Other financial liabilities	**(313,096)**	-	-
Interest bearing loans and borrowings	Other financial liabilities	**(7,284,891)**	**(7,284,891)**	**Level 2**
Accounts payable and accruals[1] (excluding derivative financial liabilities)	Other financial liabilities	**(3,690,133)**	-	-
Derivative financial liabilities	FVOCI	-	-	**Level 2**
Amount due to related parties[1]	Other financial liabilities	**(4,543)**	-	-

Derivative and non-derivative financial assets / (financial liabilities)	Classification	As at 31 December 2020 Carrying value QR'000	As at 31 December 2020 Fair value QR'000	Fair value Hierarchy
Bank balances and cash[1]	Amortised cost	1,150,315	-	-
Accounts and other receivables[1] (restated)	Amortised cost	2,797,103	-	-
Financial assets at fair value through other comprehensive income	FVOCI	8,392	8,392	Level 3
Financial assets at fair value through profit or loss	FVTPL	6,677	6,677	Level 3
Amount due from related parties[1]	Amortised cost	86,703	-	-
Bank overdrafts[1]	Other financial liabilities	(280,613)	-	-
Interest bearing loans and borrowings	Other financial liabilities	(7,707,887)	(7,707,887)	Level 2
Accounts payable and accruals[1] (excluding derivative financial liabilities) (restated)	Other financial liabilities	(3,057,459)	-	-
Derivative financial liabilities	FVOCI	(7,521)	(7,521)	Level 2
Amount due to related parties[1]	Other financial liabilities	(2,945)	-	-

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32. Financial instruments (continued)

Fair value measurements (continued)

There is no in or out movement from Level 3 fair value measurements. The investments classified under Level 3 category have been fair-valued based on information available for each investment.

(1) These financial assets and financial liabilities are carried at amortised cost. The fair values of these financial assets and financial liabilities are not materially different from their carrying values in the consolidated statement of financial position, as these assets and liabilities are either of short-term maturities or are re-priced frequently based on market movement in interest rates.

Reconciliation of Level 3 fair values

	Equity instruments		
	FVOCI	**FVTPL**	**Total**
At 1 January 2021	**8,392**	**6,677**	**15,069**
Additions	**-**	**(2,847)**	**(2,847)**
Net changes in fair value	**(26)**	**(386)**	**(412)**
At 31 December 2021	**8,366**	**3,444**	**11,810**

	Equity instruments		
	FVOCI	FVTPL	Total
At 1 January 2020	8,391	945	9,336
Additions	-	5,641	5,641
Net changes in fair value	1	91	92
At 31 December 2020	8,392	6,677	15,069

Fair value sensitivity analysis

The following table shows the sensitivity of fair values to 10% increase or decrease as at 31 December:

	2021	2020
Basis points	**+/-1,000**	+/-1,000
Effect on equity (QR '000)	**+/-1,181**	+/-1,507

33. Financial risk management

The Group is exposed to credit risk, liquidity risk and market risks such as currency risk, price risk and interest rate risk. The Group monitors and manages the risks relating to its operations through internal risk reports. The major risks are discussed below.

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33. Financial risk management (continued)

Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices comprise four types of risk: interest rate risk, currency risk, commodity price risk and other price risk, such as equity price risk.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's bank balances (call deposits), bank overdraft and interest-bearing loans and borrowings, which bear floating interest rate.

The following summary sets out the Group's exposure to interest rate risk as of 31 December:

	2021	2020
Bank deposits and call accounts	**10,201**	14,125
Bank overdrafts	**(313,096)**	(280,613)
Interest bearing loans and borrowings	**(7,284,891)**	(7,707,887)
	(7,587,786)	(7,974,375)

The Group is exposed to interest rate risk as it maintains and borrows funds at floating interest rates. 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 for one year, based on the floating rate financial assets and financial liabilities held at 31 December:

	2021	2020
Basis points	**+/- 25**	+/- 25
Effect on profit for the year (QR '000)	**18,969**	19,936

Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in a financial loss to the Group. The Group has adopted a policy of only dealing with creditworthy counterparties. Credit risk on bank balances is limited as they are placed with banks having good credit rating. The Group's exposure to counterparties is continuously monitored. Credit exposure is controlled by counterparty limits that are reviewed and approved by management. The credit terms for accounts receivable are 30 days to 180 days.

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

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33. Financial risk management (continued)

Credit risk (continued)

	2021	2020 (Restated)
Bank balances	**1,033,965**	1,138,309
Accounts receivable and others (excluding contract assets)	**2,839,409**	2,797,103
Contract assets	**2,148,318**	1,487,582
Amounts due from related parties	**82,415**	86,703
	6,104,107	5,509,697

Bank balances

The Group held bank balances of QR 1,033,965 thousand at 31 December 2021 (2020: QR 1,138,309 thousand). The balances are held with banks, which are rated Aa3- to A3, based on Moody's ratings.

Impairment on 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 bank balances have low credit risk based on the external credit ratings of the banks. As at reporting date, none of the bank balances were credit impaired. Expected credit loss on non-credit impaired balance was immaterial, hence no provision was recognised in these consolidated financial statements.

Amounts due from related parties

As at reporting date, none of the amounts dues from related parties were credit impaired. Expected credit loss on non-credit impaired balance was immaterial, hence no provision was recognised in these consolidated financial statements.

Accounts receivables and others

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 associated with the industry and country in which customers operate.

The Group limits its exposure to credit risk from accounts receivable by:

- evaluating the creditworthiness of each counter-party prior to entering into contracts;
- establishing maximum payment periods for each customer, which are reviewed regularly; and
- periodically reviewing the collectability of its trade receivables for identification of any impaired amounts.

The Group limits its exposure to credit risk from accounts receivable by establishing a maximum payment period of one and three months for corporate customers respectively.

As a result of the above, management believes that there is no significant credit risk, except for the financial and contract assets for which impairment has been already recognised by the management.

The movement in the provision for impairment of accounts receivable and contract assets is disclosed in Note 8.

Impairment on accounts and factored receivables, notes receivable and contract assets has been measured on a life-time expected loss basis. The Group uses an allowance matrix to measure the ECL on these financial and contract assets.

Loss rates are calculated using a 'net flow rate' method based on the probability of a receivable progressing through successive stages of delinquency to write-off.

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33. Financial risk management (continued)

Credit risk (continued)

Accounts receivables and others (continued)

The following table provides information about the exposure to credit risk and ECLs for accounts receivable (including factored receivables), notes receivables and contracts assets as at reporting date.

	Weighted average loss rate	**Gross carrying amount**	**Loss allowance**	**Credit impaired**
31 December 2021				
Current (not past due)	**0.74%**	**3,783,518**	**27,882**	**No**
1-90 days past due	**3.94%**	**468,375**	**18,435**	**No**
91–180 days past due	**11.95%**	**74,473**	**8,901**	**No**
181–365 days past due	**15.94%**	**66,457**	**10,590**	**No**
More than 365 days past due	**20.45%**	**335,491**	**68,598**	**Yes**
Individual credit impaired balances	**100.00%**	**95,430**	**95,430**	**Yes**
		4,823,744	**229,836**	

	Weighted average loss rate	Gross carrying amount	Loss allowance	Credit impaired
31 December 2020 (restated)				
Current (not past due)	0.81%	2,921,034	23,689	No
1-90 days past due	3.91%	480,167	18,785	No
91–180 days past due	17.31%	199,473	34,525	No
181–365 days past due	18.21%	132,185	24,069	No
More than 365 days past due	20.34%	212,974	43,322	Yes
Individual credit impaired balances	100.00%	91,448	91,448	Yes
		4,037,281	235,838	

Loss rates are based on actual credit loss experience over the past three years. These rates are multiplied by forward looking 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 actual and forecast macro-economic factors (primarily GDP) and is considered to be positive.

Past due are those amounts for which either the contractual or the "normal" payment date has passed.

Management believes that the unimpaired amounts that are past due are still collectible in full, based on historical payment behaviour and extensive analysis of customer credit base.

Accounts receivables do not bear interest.

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33. Financial risk management (continued)

Credit risk (continued)

Accounts receivables and others (continued)

The Group does not require collateral as security in respect of its accounts and factored receivables, notes receivables and contract assets.

Deposits and other receivables

Impairment on deposits and other receivables has been measured on a 12-month expected loss basis and reflects the short maturities of the exposures. As at reporting date, none of deposits and other receivables were credit impaired. Expected credit loss on non-credit impaired balance was immaterial, hence no provision was recognised in these consolidated financial statements.

Foreign currency risk

Foreign currency risk is the risk that the value of financial instruments will fluctuate due to changes in foreign exchange rates. The foreign currency exposure is minimal since the Group deals mostly in Qatari Riyal and US Dollars. Balances in other GCC currencies, with the exception of Kuwaiti Dinar, do not expose the Group to significant currency risk since they are pegged to the US Dollar. The following table details the Group's sensitivity to an increase or decrease in Qatari Riyal against the relevant foreign currencies.

The sensitivity analysis includes only outstanding foreign currency denominated monetary items and the impact of a change in the exchange rates are as follows:

Net Exposure (Liability)	**2021**	2020
EURO	**468,084**	145,863
GBP	**1,774**	16,952
Other currencies	**175**	148
	470,033	162,963

	Increase/ decrease in Euro, GBP and other rates to the QR	*Effect on profit before tax*
2021	**+/- 3%**	+/- 14,101
2020	+/- 3%	+/- 4,889

Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its obligations as they fall due. The Group's approach to managing liquidity risk is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's operations and reputation.

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33. Financial risk management (continued)

Liquidity risk (continued)

The Group limits its liquidity risk by ensuring bank facilities are available. The Group's terms of sale require amounts to be paid within 30-180 days of the date of sale.

The table below summarises the maturities of the Group's derivative and non-derivative financial liabilities at 31 December, based on contractual payment dates and current market interest rates.

At 31 December 2021	**Less than 1 year**	**More than 1 year**	**Total**
Accounts payable and accruals (excluding advances from customers)	**4,990,541**	**86,695**	**5,077,236**
Amounts due to related parties	**4,543**	**-**	**4,543**
Interest bearing loans and borrowings	**2,742,959**	**4,541,932**	**7,284,891**
Lease liabilities	**191,515**	**352,931**	**544,446**
Bank overdrafts	**313,096**	**-**	**313,096**
Total	**8,242,654**	**4,981,558**	**13,224,212**

At 31 December 2020 (restated)	Less than 1 year	More than 1 year	Total
Accounts payable and accruals (excluding advances from customers)	4,564,968	24,190	4,589,158
Amounts due to related parties	2,945	-	2,945
Interest bearing loans and borrowings	2,001,117	5,706,770	7,707,887
Lease liabilities	192,929	445,289	638,218
Bank overdrafts	280,613	-	280,613
Total	7,042,572	6,176,249	13,218,821

Capital management

The Group manages its capital structure to ensure that it will be able to continue as a going concern while maximizing the return to shareholders through the optimization of debt and equity balances. The Group's overall strategy remains unchanged from 2018. The Group monitors its capital using a gearing ratio which is net debt divided by total equity. The Group includes within the net debt, interest bearing loans and borrowings (included in Note 17) and bank overdraft less bank balances and cash.

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33. Financial risk management (continued)

Capital management (continued)

Gearing ratio
The gearing ratio at 31 December is as follows:

	2021	2020 *(Restated)*
Debt (including bank overdrafts)	**7,597,987**	7,988,500
Bank balances and cash	**(1,039,061)**	(1,150,315)
Net debt	**6,558,926**	6,838,185
Total equity	**2,199,861**	2,050,849
Add: acquisition reserve	**999,488**	999,488
	3,199,349	3,050,337
Gearing ratio	**2.05:1**	2.24:1

34. Impact of COVID-19

The World Health Organization declared COVID-19 as a pandemic in March 2020. Escalation of COVID-19 has impacted the global economic growth and business developments. Most countries have enacted protection measures against COVID-19, with a significant impact on the daily life, production and supply chain of goods in these countries and beyond.

The evolution of COVID-19 as well as its impact on the global economy, and more specifically, on the Group's business activities, is subject to levels of uncertainty, with the full range of possible effects unknown including but not limited to: the success of support measures introduced by governments, a smooth supply chain, negotiations with landlords, customer behavioural patterns and sentiments, volume and velocity of tourism, ability of the wider economy to recover, timing and manner of the easing of restrictions (such as lockdowns and social distancing) and successful vaccination campaigns.

The Group has proactively introduced comprehensive measures to address and mitigate key operational and financial issues arising from the current situation. The Group continues to adopt strict social distancing safety measures and other hygiene practices across its stores, enabling it to continue operations with minimal disruptions.

Management, based on its assessment, believes that the cashflows from operations will allow the Group to continue to operate and meet its liabilities whenever they fall due in foreseeable future.

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35. Comparative information

i) Restatement

a) Impairment of goodwill and other intangible assets

In 2019 and 2020, the Group was unable to conclude impairment testing in accordance with IAS 36 in respect of goodwill and other intangible assets allocated to one of its Cash Generating Units (CGU) forming part of the Jewellery Trading operating segment. The impairment exercise was pending due to the instability in the economy and the sector in which the CGU operates coupled with COVID-19 pandemic, due to which the Group was unable to apply reliable assumptions and source external benchmarks to develop forecasts for the impairment exercise. During the current year, management was in a position to apply more relevant and reliable assumptions owing to stability in the economy following vaccination and opening up of travel restrictions which helped management to forecast the key assumptions to be applied for the impairment exercise. The impairment exercise during the year has resulted in recording of total impairment loss amounting to QR 270.6 million against the goodwill and other intangibles allocated to the CGU. IAS 8 'Accounting policies, changes in accounting estimates and errors' requires to correct material prior period matters or adjustments retrospectively in the period / year to which the matter relates, since the pending impairment exercise in connection with the CGU was pending from 2019, management has restated the prior years' consolidated financial statements in accordance with IAS 8 requirements to reflect the completion of pending impairment exercise.

b) Restatement due to Purchase Price Allocation of Inetum Espana (formerly IECISA)

As per the requirements of IFRS 3 'Business combinations', management has finalised the provisional fair values pertaining to Inetum Espana (formerly IECISA) acquired in 2020. Following the completion of the fair valuation exercise, management has allocated goodwill amounting to QR 137.4 million to other intangible assets. These intangible assets have finite useful lives and consequently the consolidated financial statements for the year ended 31 December 2020 are restated to record the amortisation of these other intangible assets.

Summary of the effects of the above restatement on the previously reported figures are as follows:

	Previously reported figures	Restatement due to (a) above	Restated figures
At 1 January 2020			
Consolidated statement of financial position			
Goodwill and other intangible assets	4,597,875	(270,572)	4,327,303
Retained earnings	1,916,328	(270,572)	1,645,756

As at and for the year ended 31 December 2021 In Thousands of Qatari Riyals

35. Comparative information (continued)

i) Restatement (continued)

	Previously reported figures	Restatement due to (a) above	Restatement due to (b) above	Restated figures
At 31 December 2020				
Consolidated statement of financial position				
Goodwill and other intangible assets	6,063,351	(270,572)	240,207	6,032,986
Retained earnings	1,925,720	(270,572)	(12,653)	1,642,495
Deferred tax assets	184,079	-	(75,131)	108,948
Inventories	1,654,930	-	14,636	1,669,566
Accounts receivable and prepayments (current portion)	4,919,527	-	(503,634)	4,415,893
Deferred tax liabilities	8,568	-	34,063	42,631
Accounts payable and accruals (non-current portion)	90,654	-	(66,464)	24,190
Accounts payable and accruals (current portion)	5,419,966	-	(271,187)	5,148,779
Foreign currency translation reserve	(39,476)	-	(476)	(39,952)
Consolidated statement of income				
Depreciation and amortisation	(450,836)	-	(16,871)	(467,707)
Income tax	(129,142)	-	4,218	(124,924)
Net profit for the year	14,448	-	(12,653)	1,795
Earnings per share	0.030	-	(0.026)	0.004

All other related changes in the comparative amounts in the consolidated statements of comprehensive income, changes in equity, cash flows and notes to the consolidated financial statements, are restated to reflect the above restatement.

ii) Comparative figures

Certain comparative figures have been reclassified to conform to the presentation in the current period's consolidated financial statements. However, such reclassifications did not have any effect on the profit, total assets and equity of the comparative period. Further, due to consolidation of one of the acquired subsidiaries in May 2020, the current year's consolidated financial statements are not fully comparable with the prior year's consolidated financial statements.

36. Significant arrangement subsequent to the reporting date

Subsequent to the reporting date, on 18 January 2022, the Board of Directors of the Company approved entering into exclusive negotiations with a group of investors, in relation to a potential transaction to dispose of the Group's entire shareholding in Inetum S.A.

The completion of the potential transaction is conditional upon satisfaction of certain mandatory legal, regulatory and shareholders' approval, and consequently, there remains a possibility that the potential transaction may not materialize in absence of such conditions / approvals being secured. Management has exercised significant judgement and has determined that not all held for sale criteria in accordance with IFRS 5 'Non-current Assets Held for Sale and Discontinued Operations' are met for the potential disposal of Inetum S.A. as at the end of the reporting date. Consequently, the Group continues to consolidate its subsidiaries in France, Inetum S.A. and its related components and therefore, the same has not been classified as "held-for-sale" in these consolidated financial statements as at and for the year ended 31 December 2021.

37. Events after the reporting date

There are no material events subsequent to the reporting date, except as disclosed in note 36, which have a bearing on the understanding of these consolidated financial statements.