Alijarah Holding Q.P.S.C.
Consolidated Financial Statements
For the Year Ended 31 December 2020

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INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF ALIJARAH HOLDING Q.P.S.C.

Report on the audit of the consolidated financial statements

Opinion

We have audited the consolidated financial statements of Alijarah Holding Q.P.S.C. (the "Company") and its subsidiaries (together referred as the "Group"), which comprise the consolidated statement of financial position as at 31 December 2020, and the consolidated statement of profit and loss, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at 31 December 2020, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

Basis for opinion

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

Key audit matters

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

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

Key audit matters	How our audit addressed the key audit matter
Revenues recognised from property development project	
The Group is executing a residential complex development project for 895 land plots in Northern Villa and Seafront Western Area in Lusail for an assigned scope of setting up water, electricity and drainage networks, landscape works, street furniture and street lighting and gas network for the land plots. Recognition of revenue from the project involves significant judgements and managerial assumptions such as cost to complete budget, contingency costs and other macro-economic factors. Management estimates the revenue and budgeted costs at the commencement of the contract and regularly reassess the progress of construction works as well as the financial impact of scope changes, claims, disputes and liquidation damages.	Our audit procedures over revenue from property development included the following: • Obtained process understanding and evaluated the controls associated with contract budget estimation. • Visited the project site and discussed with the project team to understand the project progress. • Obtained the contract entered with the customer for the development of infrastructure and reviewed the scope assigned to the Group. • Discussed with the management and evaluated the triggering events causing changes to the budgeted contract costs. • Inspected the communications received from the customer identifying the project gaps.

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INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF ALIJARAH HOLDING Q.P.S.C. (CONTINUED)

Report on the audit of the consolidated financial statements (continued)

Key audit matters (continued)

Key audit matters	How our audit addressed the key audit matter
Revenues recognised from property development project	
We identified the revenues recognised on property development as a key audit matter because of the significant judgement involved in determining revenues and also due to the magnitude of property development revenue to the consolidated financial statements.	• Tested the project cost to complete budget by tracing against the open contracts, quotations and management's estimates and evaluated the key assumptions used in arriving at management estimates. • Assessed the adequacy and completeness of the disclosures on the revenues recognised from property development for the year presented in Note 19 to the consolidated financial statements.
Expected credit losses on installments and due from customers	
The Group's installments and due from customers consist of installments and due from customers on leasing and Islamic finance, property sales and other receivables. The Group's gross installments and due from customers amounted to QR 66,909,295 and the related allowances for expected credit losses amounted to QR 50,067,161 comprising QR 297,954 of ECL against stage 1 and stage 2 exposure and QR 49,769,207 against exposure classified as stage 3. We identified assessment of expected credit losses (ECL) on installments and due from customers as a key audit matter because of the significance of installments and due from customers to the consolidated financial statements and due to the complex and subjective judgments over both timing of recognition of impairment and the estimation of the amount of such impairment.	Our audit procedures on testing expected credit losses included the following: • Inspected the management's process, systems and controls in determining the expected credit losses over installments and due from customers. • Evaluated the appropriateness of impairment methodology applied to the requirements as specified by IFRS 9. • Performed tests of details over the identification of installments and due from customers under various categories and evaluated the ratings assigned on each category based on the age of the outstanding installments and due from customers. • Tested the accuracy of key variables relevant for the installments and due from customers including the year-end balances, repayment history, past-due status by reviewing a sample of installments and due from customers. • Involved our internal specialist to evaluate the reasonableness of the underlying assumptions used in the ECL assessment by comparing the assumptions used to internal and external data. • Tested the mathematical accuracy of the model used in arriving at expected credit loss provision. • We also assessed whether the consolidated financial statement disclosures appropriately reflect the requirements of International Financial Reporting Standards.

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF ALIJARAH HOLDING Q.P.S.C. (CONTINUED)

Report on the audit of the consolidated financial statements (continued)

Key audit matters (continued)

Key audit matters	How our audit addressed the key audit matter
Valuation of assets held for sale	
In December 2020, the Group committed to a plan to sell all vehicles included within the taxi and limousine segment. As a result, these vehicles have been classified as asset held for sale and written down to its fair value less costs to sell, based on the current market prices for the same vehicles. Due to the high level of judgement involved in estimating the fair value of the assets held for sale, and the significant carrying amounts, and impairment recognized on such assets, we considered this to be a key audit matter.	Our audit procedures in this area included, among others: – • We challenged the Group's judgement on the classification of the vehicles as held-for sale through understanding the status of the sales process and considered whether the consolidated financial statements reflect the substance of the transaction; • We assessed the reasonableness of the Group plan to sell assets held for sale within one year, including review of auctions plan and timeline. • We evaluated the appropriateness of the vehicles fair value used by the Group and trace this fair value to recent auctions prices and recent prices available in the market for the same vehicles. • We assessed the completeness and accuracy of the disclosure of the discontinued operations as per the requirements of IFRS 5.

Other information included in the Group's Annual Report 2020

Other information consists of the information included in the Group's 2020 Annual Report, other than the consolidated financial statements and our auditor's report thereon. The management is responsible for the other information.

The Group's 2020 Annual Report is expected to be made available to us after the date of this auditor's report. Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

Responsibilities of management and Board of Directors for the consolidated financial statements

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

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

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

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF ALIJARAH HOLDING Q.P.S.C. (CONTINUED)

Report on the audit of the consolidated financial statements (continued)

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

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

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

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

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

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

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

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

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

We communicate with 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 year and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF ALIJARAH HOLDING Q.P.S.C. (CONTINUED)

Report on other legal and regulatory requirements

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

Ziad Nader
of Ernst & Young
Auditor's Registration No. 258

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Date: 28 January 2021
Doha

ALIJARAH HOLDING (Q.P.S.C.)
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2020

	Notes	2020	2019
		QR	QR
ASSETS			
Balances with financial institutions and cash	3	337,905,503	404,291,022
Installments and dues from customers	4	18,686,650	32,762,966
Investment securities	5	226,332,347	164,048,002
Inventories	6	550,343	1,344,134
Prepayments and other receivables	7	5,939,151	34,908,463
Assets held for sale	12	9,700,000	-
Property and equipment	8	114,998,661	153,403,525
Right-of-use asset	9	599,089	655,695
Investment property	10	99,047,641	103,291,058
Intangible assets	11	8,447,880	8,636,880
TOTAL ASSETS		**822,207,265**	**903,341,745**
LIABILITIES AND EQUITY			
LIABILITIES			
Accounts payable, accruals and other payables	13	64,066,603	78,738,144
Islamic financing under wakalah arrangements	14	41,889,836	50,890,341
Contract liabilities	15	16,243,443	59,619,623
Lease liability	9	771,036	827,799
TOTAL LIABILITIES		**122,970,918**	**190,075,907**
EQUITY			
Share capital	16	494,802,000	494,802,000
Legal reserve	17	362,528,109	387,268,209
Fair value reserve	24	(1,823,931)	-
Accumulated losses		(156,269,831)	(168,804,371)
TOTAL EQUITY		**699,236,347**	**713,265,838**
TOTAL LIABILITIES AND EQUITY		**822,207,265**	**903,341,745**

These consolidated financial statements were approved by the Board of Directors on 28th January 2021 and signed on their behalf by:

Sheikh Falah Bin Jassim Bin Jabr Al-Thani
Chairman

Hamad Shareef Al-Emadi
Chief Executive Officer

THE ACCOMPANYING NOTES FROM 1 TO 35 FORM AN INTEGRAL PART OF THESE CONSOLIDATED FINANCIAL STATEMENTS.

	Notes	2020	2019
		QR	QR
CONTINUING OPERATIONS			
Revenues			
Revenues from core business	19	59,522,703	105,221,063
Income from investments	20	59,995,668	9,831,483
Other income	21	279,948	20,385,661
TOTAL REVENUES & INCOME		119,798,319	135,438,207
Expenses			
Operating expenses	22	(50,912,939)	(79,086,494)
General and administration expenses	23	(22,304,045)	(33,641,061)
Loss on valuation of investment properties	10	(4,243,417)	(2,986,559)
TOTAL EXPENSES		(77,460,401)	(115,714,114)
NET OPERATING INCOME		42,337,918	19,724,093
Finance income from deposits with Islamic Banks		5,175,434	14,065,250
Finance cost – Islamic Financing under Wakalah Arrangements		(1,372,833)	(2,542,402)
NET FINANCE INCOME		3,802,601	11,522,848
PROFIT BEFORE TAX FROM CONTINUING OPERATIONS		46,140,519	31,246,941
Income Tax Expense	26	(297,038)	-
PROFIT FOR THE YEAR FROM CONTINUING OPERATIONS		45,843,481	31,246,941
DISCONTINUED OPERATIONS			
LOSS FOR THE YEAR FROM DISCONTINUED OPERATIONS	12	(32,987,543)	(7,024,856)
PROFIT FOR THE YEAR		12,855,938	24,222,085
Basic and diluted earnings per share	27	0.026	0.049
Basic and diluted earnings per share from continuing operations	27	0.093	0.063

	Notes	2020	2019
		QR	QR
Profit for the year		12,855,938	24,222,085
Other comprehensive loss for the year			
Items that will not be reclassified subsequently to profit or loss			
Change in fair value on equity instruments designated at fair value through other comprehensive income	24	(1,823,931)	-
Net other comprehensive loss for the year		(1,823,931)	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		11,032,007	24,222,085

	Share capital	Legal reserve	Fair Value reserve	Accumulated losses	Total
	QR	QR	QR	QR	QR
Balance at 1 January 2019	494,802,000	476,187,993	-	(256,364,621)	714,625,372
Effect of adoption of IFRS 16	-	-	-	(235,967)	(235,967)
Balance at 1 January 2019 (Restated)	494,802,000	476,187,993	-	(256,600,588)	714,389,405
Profit for the Year	-	-	-	24,222,085	24,222,085
Other comprehensive income for the year	-	-	-	-	-
Total comprehensive income for the year	-	-	-	24,222,085	24,222,085
Reclassification pursuant to the shareholders resolution (Note 34)	-	(64,179,684)	-	64,179,684	-
Dividends paid (Note 18)	-	(24,740,100)	-	-	(24,740,100)
Social and sports fund appropriation (Note 13)	-	-	-	(605,552)	(605,552)
Balance at 31 December 2019	494,802,000	387,268,209	-	(168,804,371)	713,265,838
Balance at 1 January 2020	494,802,000	387,268,209	-	(168,804,371)	713,265,838
Profit for the year	-	-	-	12,855,938	12,855,938
Other comprehensive loss for the year	-	-	(1,823,931)	-	(1,823,931)
Total comprehensive income for the Year	-	-	(1,823,931)	12,855,938	11,032,007
Dividends paid (Note 18)	-	(24,740,100)	-	-	(24,740,100)
Social and sports fund appropriation (Note 13)	-	-	-	(321,398)	(321,398)
Balance at 31 December 2020	494,802,000	362,528,109	(1,823,931)	(156,269,831)	699,236,347

THE ACCOMPANYING NOTES FROM 1 TO 35 FORM AN INTEGRAL PART OF THESE CONSOLIDATED FINANCIAL STATEMENTS.

	Notes	2020	2019
		QR	QR
Cash flows from operating activities			
Profit before tax from continuing operations		45,843,481	31,246,941
Loss before tax from discontinued operations		(32,987,543)	(7,024,856)
Profit before tax		12,855,938	24,222,085
Adjustments for:			
Depreciation and amortization	23.a	15,950,452	17,107,566
Valuation loss on investment property		4,243,417	2,986,559
Gain on investment securities measured at FVTPL	20	(50,746,188)	(1,041,040)
Net allowance for expected credit losses on financial assets	23	(5,852,085)	(431,579)
Dividend income	20	(8,889,356)	(8,788,623)
Loss on impairment of property plant & equipment		14,030,278	-
Loss (Profit) on disposal of property and equipment		297,640	(216,799)
Provision for slow moving inventories	6	2,930,823	3,127,900
Impairment for advances to suppliers		-	877,000
Finance income		(5,549,983)	(15,611,957)
Write off property and equipment		-	75,153
Finance cost		1,372,833	2,542,403
Provision for employees' end of service benefits	13(a)	848,602	996,129
Net operating (loss) income for the year before working capital changes		(18,507,629)	25,844,797
Working capital changes			
Installments and dues from customers		19,913,607	12,498,578
Prepayments and other receivables		24,972,409	(8,160,376)
Inventories		(3,877,032)	7,996,886
Accounts payable, accruals and other payables		(9,764,698)	(86,561,173)
Deferred revenue		(43,376,180)	(91,260,426)
Finance cost paid		(1,294,845)	(2,440,475)
Employees' end of service benefits paid	13(a)	(512,036)	(178,223)
Net cash flows used in operating activities		(32,446,404)	(142,260,412)
Cash flows from investing activities			
Finance income received		9,546,886	17,394,638
Dividends received		8,889,356	8,788,623
Purchase of intangible asset		-	(114,000)
Purchase of property and equipment	8	(343,950)	(7,276,089)
Net movement in bank term deposit		270,000,000	60,000,000
Purchase of investment securities		(190,309,984)	(1,659,254)
Proceeds from disposal of investment securities		176,947,895	-
Proceeds from disposal of property and equipment		756,050	265,755
Net cash flows from investing activities		275,486,253	77,399,673

Continued....

	Notes	2020	2019
		QR	QR
Cash flow from financing activities			
Dividends paid		(30,339,657)	(24,557,517)
Repayment of financing under wakalah arrangements	14	(9,000,505)	(25,533,022)
Repayment of lease liabilities	9	(100,000)	(100,000)
Net cash flows used in financing activities		(39,440,162)	(50,190,539)
Net increase (decrease) in cash and cash equivalents		203,599,687	(115,051,278)
Cash and cash equivalents at the beginning of the year		84,454,993	199,506,271
Cash and cash equivalents at the end of the year	3	288,054,680	84,454,993

1. INCORPORATION AND ACTIVITIES

Alijarah Holding Company Q.P.S.C. (the "Company") is a public shareholding company incorporated in the State of Qatar in accordance with resolution No. 35 issued on 21 April 2003 by the Ministry of Business and Trade. The Company is registered under commercial registration No. 26487 and is governed by the provisions of the Qatar Commercial Companies' Law No. 11 of 2015. The registered office of the Company is located at 'D' Ring Road, Doha, State of Qatar. The Company's shares are publicly traded at the Qatar Exchange.

The Company and its fully owned subsidiaries (together the "Group") are engaged in Financial Leasing, Real Estate, Property Development, Transportation, Taxi Services and Driving School and operate through its fully owned subsidiaries established in the State of Qatar. The Group is committed to conduct all its activities in accordance with Islamic Sharia'a.

These consolidated financial statements were authorised for issue by the Board of Directors on 28th January 2021.

2. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

The consolidated financial statements have been prepared on historical cost basis, cost basis except for the following material items on the consolidated statement of financial position, which are measured at fair value:

- Investment Property;
- Investments measured at fair value through profit or loss ('FVTPL')
- Investment measured at fair value through other comprehensive income ('FVTOCI').

The consolidated financial statements are presented in Qatari Riyals (QR), which is the Group's functional and presentational currency and all values are rounded to the nearest Qatari Riyal, except when otherwise indicated.

The consolidated financial statements provide comparative information in respect of the previous period.

The Group presents its statement of financial position broadly in the order of liquidity. An analysis regarding recovery or settlement within 12 months after the end of the reporting year ("current") and more than 12 months of the end of the reporting year ("non-current") is presented in Note 30.

2.2 Basis of consolidation

The consolidated financial statements comprise the financial statements of the Group and its subsidiaries as at 31 December 2020. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

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

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control.

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

2.2 Basis of consolidation (continued)

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of comprehensive income from the date the Group gains control until the date the Group ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income are attributed to the equity holders of the parent of the Group. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

Subsidiaries are fully consolidated from the date on which control is transferred to the Group. The results of subsidiaries acquired or disposed of during the year are included in the consolidated statement of profit or loss from the date of acquisition or up to the date of disposal, as appropriate.

The consolidated financial statements of the Group include the financial statements of the Company and its fully owned subsidiaries (listed below):

Name of subsidiaries	Country of incorporation	Principal activity
Alijarah Leasing Company	State of Qatar	Islamic leasing (Ijarah)
Alijarah Equipment Company	State of Qatar	Transportation
Alijarah Limousine Company	State of Qatar	Taxi & Limousine services
Alijarah Property Development Company	State of Qatar	Property Development
Alijarah Driving Academy	State of Qatar	Driving School

2.3 Significant accounting judgements, estimates and assumptions

The preparation of the Group's consolidated financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

Judgements
In the process of applying the Group's accounting policies, management has made various judgements. Those which management has assessed to have the most significant effect on the amounts recognised in the consolidated financial statements have been discussed in the individual notes of the related consolidated financial statement line items.

Property lease classification – Group as lessor
The Group has entered into commercial property leases on its investment property portfolio. The Group has determined, based on an evaluation of the terms and conditions of the arrangements, such as the lease term not constituting a major part of the economic life of the commercial property and the present value of the minimum lease payments not amounting to substantially all of the fair value of the commercial property, that it retains substantially all the risks and rewards incidental to ownership of these properties and accounts for the contracts as operating leases.

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

2.3 Significant accounting judgements estimates and assumptions (continued)

Judgements (continued)

Assets held for sale

On 31 December 2020, the Board of Directors announced its decision to discontinue the taxi and limousine operations and committed to a plan to sell all the vehicles. As a result, taxi and limousine vehicles classified as assets held for sale. The Board considered the vehicles to meet the criteria to be classified as held for sale at that date for the following reasons:

- Taxi and limousine vehicles are available for immediate sale and can be sold to the buyer in its current condition
- The actions to complete the sale were initiated and expected to be completed within one year from the date of initial classification.
- Potential buyers have been identified, and auctions has been announced in the public newspapers as at the reporting date
- The Board of directors approved the plan to sell the vehicles.

For more details on the discontinued operation, refer to Note 12.

Estimates and assumptions

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

Impairment of non-financial assets

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs of disposing of the asset. The value in use calculation is based on a DCF model. The cash flows are derived from the budget for the next five years and do not include restructuring activities that the Group is not yet committed to or significant future investments that will enhance the performance of the assets of the CGU being tested. The recoverable amount is sensitive to the discount rate used for the DCF model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes. These estimates are most relevant to intangibles with indefinite useful lives recognised by the Group. The key assumptions used to determine the recoverable amount for the intangibles assets with indefinite life are disclosed and further explained in Note 11.

Revenue from contracts with customers

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

Determination of performance obligations:

In relation to the services provided to tenants of investment property (such as cleaning, security, landscaping, reception services, catering) as part of the lease agreements into which the Group enters as a lessor, the Group has determined that the promise is the overall property management service and that the service performed each day is distinct and substantially the same. Although the individual activities that comprise the performance obligation vary significantly throughout the day and from day to day, the nature of the overall promise to provide management service is the same from day to day. Therefore, the Group has concluded that the services to tenants represent a series of daily services that are individually satisfied, over time, using a time-elapsed measure of progress, because tenants simultaneously receive and consumes the benefits provided by the Group.

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

2.3 Significant accounting judgements estimates and assumptions (continued)

Revenue from contracts with customers (continued)

Determination of performance obligations (continued):
The Group has determined that the input method is the best method for measuring progress for the lease contracts because there is a direct relationship between the costs incurred by the Group and the transfer of goods and services to the customer.

Provision for expected credit losses for installments and due from customers
The Group uses a provision matrix to calculate ECLs for installments and due from customers. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns (i.e., by geography, product type, customer type and rating, and coverage by letters of credit and other forms of credit insurance).

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 in the leasing sector, the historical default rates are adjusted. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future. The information about the ECLs on the Group's installments and due from customers is disclosed in Note 4.

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

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

Going concern
The Group's management has made an assessment of the Group's ability to continue as a going concern and is satisfied that the Group has the resources to continue in business for the foreseeable future. Furthermore, the 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 the going concern basis.

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

2.3 Significant accounting judgements estimates and assumptions (continued)

Valuation of financial instruments

The Group's accounting policy on fair value measurements is discussed in the significant accounting policies section.

The Group measures fair values using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements.

- Level 1: Quoted market price (unadjusted) in an active market for an identical instrument.
- Level 2: Other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly; and
- Level 3: Techniques which use inputs which have a significant effect on the recorded fair value that arenot based on observable market data.

All financial instruments of the Group measured at fair value were using level 1 as at the reporting date.

Revaluation of investment property

The Group carries its investment properties at fair value, with changes in fair value being recognized in the statement of profit or loss. The Group engaged an external, independent valuation specialist to assess fair value as at 31 December 2020 for the investment property. The independent evaluator uses the market situations, estimated yield and expected future cash flows coupled with market and other evidence (i.e. the recent real estate transactions with similar characteristics and location) of properties for the valuation of investment property.

If an independent valuation is carried out at the intermediate period, the management determines the year end valuation by applying appropriate discounting rate on the intermediate valuation based on the market situations, estimated yield and expected future cash flows. Thus, the management believes it's a more transparent and accurate valuation. The key assumptions used to determine the fair value of the properties and sensitivity analyses are provided in Note 10.

2.4 Changes in accounting policies and disclosures

New and amended standards and interpretations

The Group applied for the first-time certain standards and amendments, which are effective for annual period beginning or after 1 January 2020 but do not have an impact on the consolidated financial statements of the Group. The Group has not early adopted any standards, interpretations or amendments that have been issued but are not yet effective.

Amendments to IFRS 3: Definition of a Business

The amendment to IFRS 3 Business Combinations clarifies that to be considered a business, an integrated set of activities and assets must include, at a minimum, an input and a substantive process that, together, significantly contribute to the ability to create output. Furthermore, it clarifies that a business can exist without including all of the inputs and processes needed to create outputs. These amendments had no impact on the consolidated financial statements of the Group but may impact future periods should the Group enter into any business combinations.

Amendments to IFRS 7, IFRS 9 and IAS 39 Interest Rate Benchmark Reform

The amendments to IFRS 9 and IAS 39 Financial Instruments: Recognition and Measurement provide a number of reliefs, which apply to all hedging relationships that are directly affected by interest rate benchmark reform. A hedging relationship is affected if the reform gives rise to uncertainty about the timing and/or amount of benchmark-based cash flows of the hedged item or the hedging instrument. These amendments have no impact on the consolidated financial statements of the Group as it does not have any interest rate hedge relationships.

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

2.4 Changes in accounting policies and disclosures (continued)

New and amended standards and interpretations (continued)

Amendments to IAS 1 and IAS 8 Definition of Material
The amendments provide a new definition of material that states, “information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity.” The amendments clarify that materiality will depend on the nature or magnitude of information, either individually or in combination with other information, in the context of the financial statements. A misstatement of information is material if it could reasonably be expected to influence decisions made by the primary users. These amendments had no impact on the consolidated financial statements of, nor is there expected to be any future impact to the Group.

Conceptual Framework for Financial Reporting issued on 29 March 2018
The Conceptual Framework is not a standard, and none of the concepts contained therein override the concepts or requirements in any standard. The purpose of the Conceptual Framework is to assist the IASB in developing standards, to help preparers develop consistent accounting policies where there is no applicable standard in place and to assist all parties to understand and interpret the standards. This will affect those entities which developed their accounting policies based on the Conceptual Framework. The revised Conceptual Framework includes some new concepts, updated definitions and recognition criteria for assets and liabilities and clarifies some important concepts. These amendments had no impact on the consolidated financial statements of the Group.

Amendments to IFRS 16 Covid-19 Related Rent Concessions
On 28 May 2020, the IASB issued Covid-19-Related Rent Concessions - amendment to IFRS 16 Leases. The amendments provide relief to lessees from applying IFRS 16 guidance on lease modification accounting for rent concessions arising as a direct consequence of the Covid-19 pandemic. As a practical expedient, a lessee may elect not to assess whether a Covid-19 related rent concession from a lessor is a lease modification. A lessee that makes this election accounts for any change in lease payments resulting from the Covid-19 related rent concession the same way it would account for the change under IFRS 16, if the change were not a lease modification. The amendment applies to annual reporting periods beginning on or after 1 June 2020. Earlier application is permitted. This amendment had no impact on the consolidated financial statements of the Group.

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

Standard/Interpretation	Content	Effective Date
IFRS 17	Insurance Contracts	1 January 2023
Amendments to IAS 1	Classification of Liabilities as Current or Non-current	1 January 2023
Amendments to IFRS 3	Reference to the Conceptual Framework	1 January 2022
Amendments to IAS 16	Property, Plant and Equipment: Proceeds before Intended Use	1 January 2022
Amendments to IAS 37	Onerous Contracts – Costs of Fulfilling a Contract	1 January 2022
IFRS 9 Financial Instruments	Fees in the ’10 per cent’ test for derecognition of financial liabilities	1 January 2022

The Group did not early adopt any standards, interpretations or amendments that have been issued but are not yet effective.

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

2.5 Summary of significant accounting policies

Segment Reporting
Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker is the person or group that allocates resources to and assesses the performance of the operating segments of an entity.

The Group has determined the Chief Executive Officer of the Company as its chief operating decision maker. All transactions between operating segments are conducted on an arm's length basis, with intra-segment revenue and costs being eliminated in Company. Income and expenses directly associated with each segment are included in determining operating segment performance.

Foreign currency translation
Transactions in foreign currencies are initially recorded in the functional currency rate of exchange ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency rate of exchange ruling at the end of the reporting year. All differences are taken to the consolidated statement of profit or loss. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. The gain and losses on revaluation of foreign currency non-monetary available-for-sale investments are recognized in the consolidated statement of changes in equity.

Balances with financial institutions and cash
Balances with financial institutions and cash represent cash, bank balances, balances with financial institutions and other short-term highly liquid investments with original maturities of three months or less.

Financial Instruments

Financial assets

Recognition and initial measurement
Trade receivables are initially recognized 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 a FVTPL, transaction costs are directly attributable to its acquisition. A trade receivable without a significant financing component is initially measured at the transaction price.

Classification and subsequent measurement of financial assets
On initial recognition, a financial asset is classified at:

i) 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.

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

2.5 Summary of significant accounting policies (continued)

Financial Instruments (continued)

Financial assets (continued)

Classification and subsequent measurement of financial assets (continued)

ii) Fair value through other comprehensive income (FVTOCI) – 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 collect contractual cash flows and selling financial assets; and
- Its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

iii) Fair value through profit or loss (FVTPL) – All financial assets not classified as measured at amortised cost or FVTOCI as described above.

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

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 has classified on initial recognition its dues from customers, other receivables and its bank balances and cash at amortised cost. The Group classified its investment portfolio as fair value through profit or loss (FVTPL) and fair value through other comprehensive income (FVTOCI).

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

- The stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual cash flows or realizing cash flows through the sale of the assets;
- How the performance of the portfolio is evaluated and reported to the Group's management;
- The risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed
- How managers of the business are compensated- e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- The frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

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

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

2.5 Summary of significant accounting policies (continued)

Financial Instruments (continued)

Financial assets (continued)

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

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

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

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

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 recognized in profit or loss. Any gain or loss on derecognition is recognized 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 recognized in profit or loss.
- Debt instruments at fair value through other comprehensive Income (FVTOCI) – These assets are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognized in profit or loss. Other net gains and losses are recognized in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss. The Group does not hold such assets.
- Equity investments at fair value through other comprehensive income (FVTOCI) – These assets are subsequently measured at fair value. Dividends are recognized 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 recognized in OCI and are never derecognised to profit or loss. The Group does not hold such assets.

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

2.5 Summary of significant accounting policies (continued)

Financial Instruments (continued)

Financial assets (continued)

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

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

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

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

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

For other receivables, the Group has applied the standard's simplified approach and has calculated ECLs based on lifetime expected credit losses. The Group has established a provision matrix that is based on the Group's historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

For Installments and due from customers, the Group has applied general approach and has calculated ECLs, The ECL allowance is based on the credit losses expected to arise over the life of the asset (the "lifetime expected credit loss" or "LTECL"), unless there has been no significant increase in credit risk ("SICR") since origination, in which case, the allowance is based on the 12 months' expected credit loss ("12mECL").

The 12mECL is the portion of LTECLs that represent the ECLs that result from default events on a financial instrument that are possible within the 12 months after the reporting date. Both LTECLs and 12mECLs are calculated on either an individual basis or a collective basis, depending on the nature of the underlying portfolio of financial instruments.

The Group has established a policy to perform an assessment, at the end of each quarter, of whether a financial instrument's credit risk has increased significantly since initial recognition, by considering the change in the risk of default occurring over the remaining life of the financial instrument.

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

2.5 Summary of significant accounting policies (continued)

Financial Instruments (continued)

Financial assets (continued)

Impairment (continued)

Non-derivative financial assets (continued)
Based on the above process, the Group classified its installment and dues from customers into Stage 1, Stage 2 and Stage 3, as described below:

- Stage 1: includes financial instruments that have not had a SICR since initial recognition or that have low credit risk at the reporting date. For these assets, 12mECL are recognized and interest revenue is calculated on the gross carrying amount of the asset (that is, without deduction for credit allowance).

- Stage 2: includes financial instruments that have had a SICR since initial recognition (unless they have low credit risk at the reporting date) but that do not have objective evidence of impairment. For these assets, LTECL are recognized. Lifetime ECL are the expected credit losses that result from all possible default events over the expected life of the financial instrument. ECLs are the weighted average credit losses with the probability of default ('PD') as the weight.

- Stage 3: includes financial instruments that have objective evidence of impairment at the reporting date. This stage has obligors that already are impaired (defaulted) and consequently is classified in Stage 3

The calculation of ECLs
The Group calculates ECLs based on three probability-weighted scenarios to measure the expected cash shortfalls, discounted at an approximation to the EIR. A cash shortfall is the difference between the cash flows that are due to an entity in accordance with the contract and the cash flows that the entity expects to receive.

The mechanics of the ECL calculations are outlined below and the key elements are, as follows:

- Probability of Default (PD): The PD is an estimate of the likelihood of default over a given time horizon. A default may only happen at a certain time over the assessed period, if the facility has not been previously derecognised and is still in the portfolio.

- Exposure at Default (EAD): The EAD is an estimate of the exposure at a future default date, considering expected changes in the exposure after the reporting date, including repayments of principal and interest, whether scheduled by contract or otherwise, expected drawdowns on committed facilities, and accrued interest from missed payments.

- Loss Given Default (LGD): The LGD is an estimate of the loss arising in the case where a default occurs at a given time.

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

The group considers bank balances to have low credit risk when its credit risk rating is equivalent to the globally understood definition of 'investment grade'. The Group considers this to be Baa3 or higher per Moody's Rating Agency.

The Group classifies its financial assets in the following categories. The classification depends on the purpose for which the financial assets were acquired and their characteristics. Management determines the classification of its financial assets at initial recognition.

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

2.5 Summary of significant accounting policies (continued)

Financial Instruments (continued)

Financial assets (continued)

Impairment (continued)

Installments and dues from customers
Installments and dues from customers are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Islamic financing such as Ijarah and Morabaha are stated at their gross principal amount less any amount received, allowance for expected credit losses and unearned profit. Subsequent to initial measurement, installments and dues from customers are carried at amortized cost less allowance for expected credit losses.

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

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

The Group elected to classify irrevocably three listed equity investments under this category.

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

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

Financial liabilities

Initial recognition and measurement
Financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs. The Group's financial liabilities include trade and other payables and loans and borrowings.

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

Financial liabilities at amortised cost (loans and borrowings)
This is the category most relevant to the Group. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit or loss. This category generally applies to interest-bearing loans and borrowings.

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

2.5 Summary of significant accounting policies (continued)

Financial Instruments (continued)

Financial liabilities (continued)

The Group does not hold any financial liabilities at fair value through profit or loss

Islamic financing under wakalah arrangements
Financial instruments or their components issued by the Group, are classified as financial liabilities under 'Islamic Financing under Wakalah Arrangements', where the substance of the contractual arrangement results in the Group having an obligation either to deliver cash or another financial asset to the holder. 'Islamic Financing under Wakalah Arrangements' are initially recognized at fair value net of transaction costs incurred. After initial measurement, Islamic Financing under Wakalah Arrangements are subsequently measured at amortized cost using the effective yield rate method.

De-recognition of financial assets and financial liabilities
Financial assets are derecognized when the rights to receive cash flows from the financial assets have expired or where the Group has transferred substantially all risks and rewards of ownership.

Financial liabilities are derecognized when they are extinguished that is, when the obligation is discharged, cancelled or has expired. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

Inventories
Inventories are stated at the lower of cost and net realizable value. Costs are those expenses incurred in bringing inventories to their present location and condition at purchase cost on a weighted average basis. Net realizable value is based on estimated selling price less any further costs expected to be incurred on disposal.

Investment Property
Investment property is property held either to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business or use in the production or supply of goods and services or for administrative purposes. Investment properties are measured by applying the fair value model.

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

Any gain or loss on disposal of any investment property (calculated as a difference between the net proceeds from disposal and the carrying amount of the item) is recognized in profit or loss.

When the use of a property changes such that it is reclassified as property and equipment, its fair value at the date of reclassification becomes its cost for subsequent accounting.

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

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

2.5 Summary of significant accounting policies (continued)

Leasing (continued)

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

i) Right-of-use assets
The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

	Rental period
Land	25

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

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

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

Short-term leases and leases of low-value assets
The Group applies the short-term lease recognition exemption to its short-term lease of machinery and equipment (i.e., those lease that have lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to lease of office equipment that are considered of low value (i.e., below QR 20,000 (USD 5000). Lease payment on short-term leases and leases of low-value assets are recognized as expense on a straight-line basis over the lease term.

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

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

2.5 Summary of significant accounting policies (continued)

Fair values
The fair values of quoted investments in active markets are based on current bid prices. If there is no active market for a financial asset, the Group establishes fair value using valuation techniques. These include the use of recent arm's length transactions, discounted cash flow analysis and other valuation techniques commonly used by market participants.

The fair value of an investment property is determined by independent real estate valuation experts with recent experience in the location and category of the property being valued. The fair values are based on market values, being the estimated amount for which a property could be exchanged on the valuation date between a willing buyer and a willing seller in an arm's length transaction after proper marketing wherein parties had each acted knowledgeably.

Transfers are made to or from investment properties only when there is a change in use evidenced by the end of owner-occupation and commencement of an operating lease to another party or completion of construction or development. For a transfer from investment property to owner-occupied property, the deemed cost for subsequent accounting is the fair value at the date of change in use. If owner-occupied property becomes an investment property, the Group accounts for such property in accordance with the policy stated under property and equipment up to the date of the change in use.

Offsetting financial instruments
Financial assets and liabilities are offset and the net amount reported in the consolidated statement of financial position when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis, or realize the asset and settle the liability simultaneously.

Intangible Assets

Driving School License
The cost incurred in acquiring a license to operate the driving school is recorded as intangible asset in the consolidated statement of financial position. The license has an indefinite useful life.

Intangible assets with indefinite useful lives are not amortized, but are tested for impairment annually, either individually or at the cash-generating level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

Gains or losses arising from de-recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the consolidated statement of profit or loss when this asset is recognized.

Software
The cost incurred for the development or acquisition of software is recorded as intangible asset in the consolidated statement of financial position. Subsequent costs are included in the asset carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the software will flow to the Group and the cost can be measured reliably.

For each module or component of a software project, amortization should start when the computer software is ready for its intended use and placed in service. The software is amortized using the straight-line method over its estimated useful life. The estimated useful life might be changed subsequently considering the effects of obsolescence, technology, and other economic factors on useful life.

The software carrying amount is written down immediately if its use is not expected to provide substantive service benefit to the Group.

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

2.5 Summary of significant accounting policies (continued)

Property and Equipment

Property and equipment are stated at historical cost less depreciation. Cost includes expenditure that is directly attributable to the acquisition of items. Subsequent costs are included in the asset carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably.

Depreciation is calculated using the straight-line method to write off the cost of property and equipment to their estimated residual values over their expected useful lives as follows:

	Years
Building	10 - 25
Office equipment	4-5
Furniture and fixtures	5
Heavy Equipment, trucks and motor vehicles	5-6

Land is not depreciated. An asset's carrying amount is written down immediately to its recoverable amount if the assets' carrying amount is greater than recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in profit or loss. Repairs and maintenance are charged to the consolidated statement of profit or loss when the expenditure is incurred.

Capital work-in-progress represents renovation work and construction work which are carried at cost, less any recognized impairment loss. Cost includes professional fees and related construction costs. Upon the completion of the work, the balance of work-in-progress will be transferred to the relevant caption under property and equipment.

Accounts Payable and Accruals

Liabilities are recognized for amounts to be paid in the future for goods or services received, whether billed by the supplier or not.

Contract liabilities

A contract liability is the obligation to transfer goods or services to a customer for which the company has received consideration (or an amount of consideration is due) from the customer, if the customer pays consideration before the company transfers goods or services to the customer, a contract liability are recognised when payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Company performs under the contract.

Provisions

Provisions are recognized when the Group has a present obligation as a result of a past event which it is probable will result in an outflow of economic benefits that can be reasonably estimated.

Employees' End of Service Benefits

The Group makes provision for end of service benefits payable to its expatriate employees on the basis of the employees' length of service in accordance with the employment policy of the Group and the applicable provisions of Qatar Labor Law number 14 of 2004. The expected costs of these benefits are accrued over the period of employment. The liability recognized in the statement of financial position represent employees' end of service indemnity.

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

2.5 Summary of significant accounting policies (continued)

Defined contribution plans
Also the Group provides for its contribution to the State administered retirement fund for Qatari employees in accordance with the retirement law, and the resulting charge is included within the personnel cost under the general administration expenses in the consolidated statement of profit or loss. The Group has no further payment obligations once the contributions have been paid. The contributions are recognized when they are due.

Share Capital
Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares are recognized as a deduction from equity.

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

Earnings per share
The group basic diluted earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to the ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period.

Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary share outstanding for the effects of all dilutive potential ordinary shares, which comprise convertible notes and share options granted to employees, if any.

Revenue Recognition
Construction contracts
When the outcome of individual contracts can be foreseen with reasonable certainty and can be measured reliably, margin is recognized by reference to the stage of completion, based on the percentage margin forecast at completion. The stage of completion is measured by the proportion of contracts costs incurred for work performed to date to the estimated total contract costs or the proportion of the value of work done to the total value of work under contract. Full provision is made for all known expected losses on individual contracts immediately once such losses are foreseen. Margin in respect of variations in contract work and claims is recognized if it is probable they will result in revenue.

The Group has determined that for engineering, procurement, installation and commissioning contracts, the customer controls all of the work in progress as the contracts being executed. This is because under those contracts, the final product is made to customer's specification and if a contract is terminated by the customer, then the Group is entitled to reimbursement of the costs incurred to date, including a reasonable margin.

Revenue is recognised over time based on the percentage of completion method. The related costs are recognised when they are incurred. Advances received are included in deferred revenue.

Leasing (Ijarah) income
Income from Islamic Financing and investment contracts under Islamic Sharia'a principles are recognized in the consolidated statement of profit or loss using a method that is analogous to the effective 'yield' rate.

Taxi and transportation revenue
Taxi income represents revenue generated from performing public taxi services in Qatar under the franchise agreement with Karwa (Mowasalat). Revenue is recognised over time as the services are provided. Generally, the taxi services are provided in frequent basis and are rendered within a single reporting period. Further, the taxi and transportation services comprise of only a single performance obligation. Taxi and transportation fees are billed and collected at the same time.

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

2.5 Summary of significant accounting policies (continued)

Revenue Recognition (continued)

Driving school services revenue
Revenue is recognised over time as the services are provided. The stage of completion for determining the amount of revenue to recognised is assessed based on the no of lessons attended. If the services under a single arrangement are rendered in different reporting periods, then the consideration is allocated based on their relative stand-alone selling prices. The stand-alone selling price is determined based on the list prices at which the Group sells the services in separate transactions.

Driving school services are generally provided upon collecting the full dues in advance.

Income from deposits
Profit from Term Deposits is recognized on a time proportion basis using the effective profit rate method.

Dividend income
Dividend income is recognized when the right to receive payment is established.

3. BALANCES WITH FINANCIAL INSTITUTIONS AND CASH

	2020	2019
	QR	QR
Cash on hand	71,776	172,057
Current accounts with Islamic Banks	39,042,808	38,688,167
Current accounts with a conventional Bank	-	5,594,769
Term deposits with Islamic Banks	285,000,000	360,000,000
Deposits with financial institutions	13,940,096	-
	338,054,680	404,454,993
Allowance for expected credit losses	(149,177)	(163,971)
Balances with financial institutions and cash	337,905,503	404,291,022

Bank term deposits carry profit at commercial market rates. The Group has pledged QR 41,889,836 and QR 11,670,000 of the term deposit to fulfill collateral requirements of Islamic financing and Letter of guarantees.
Movements in the allowance for expected credit losses are as follows:

	2020	2019
	QR	QR
At 1 January	163,971	220,075
Reversal of allowance during the year (Notes 23,12)	(14,794)	(56,104)
Balance at 31 December	149,177	163,971

For the purposes of the statement of cash flows, cash and cash equivalents comprise the following balances:

	2020	2019
	QR	QR
Balances with financial institutions and cash prior to the expected credit losses	338,054,680	404,454,993
Term deposits maturing after 3 months	(50,000,000)	(320,000,000)
Cash and cash equivalents	288,054,680	84,454,993

4. INSTALLMENTS AND DUES FROM CUSTOMERS

	2020	2019
	QR	QR
Gross installments dues from leasing	69,134,833	83,353,235
Less: Deferred profits of future installments	(2,225,538)	(3,097,723)
Installments Dues from Leasing	66,909,295	80,255,512
Other trade receivables	2,021,096	8,588,486
Gross Installments and Dues from Customers	68,930,391	88,843,998
Allowance for expected credit losses for installments dues from leasing and other trade receivables	(50,243,741)	(56,081,032)
Installments and Dues from Customers	18,686,650	32,762,966
Maturity profile of installments and dues from customers (net of deferred profits)		
Not later than 1 year	14,267,433	20,493,959
Later than 1 year and not later than 5 years	4,326,757	11,915,287
Later than 5 years	92,460	353,720
	18,686,650	32,762,966

Gross installments dues from leasing:

	2020	2019
Morabaha	63,354,755	77,230,008
Ijarah	5,780,078	6,123,227

Less: Deferred profits of future installments:

	2020	2019
Morabaha	(1,606,515)	(2,157,174)
Ijarah	(619,023)	(940,549)

Movement in allowance of expected credit losses	2020	2019
	QR	QR
Balance at 1 January	56,081,032	56,726,507
Provided during the year (Notes 23,12)	2,103,464	183,189
Write off from dues from customers	(1,924,147)	-
Reversals during the year for Installments Dues from Customers (Notes 23,12)	(6,016,608)	(828,664)
Balance at 31 December	50,243,741	56,081,032

5. INVESTMENT SECURITIES

	2020	2019
	QR	QR
Financial assets measured at FVTPL	213,143,492	164,048,002
Financial assets measured at FVTOCI	13,188,855	-
Balance at 31 December	226,332,347	164,048,002

All investment securities are quoted equity investments that have been valued using Level 1 measurement techniques as per IFRS 7.

5. INVESTMENT SECURITIES (CONTINUED)

Concentration of investment portfolio

Concentration of investment portfolio arises when a number of investments are made in entities engaged in similar business activities, or activities in the same geographic region, or have similar economic features that would be affected by changes in economic, political or other conditions. The Group manages this risk through diversification of investments in terms of industry and geographical concentration. The industry concentration of the investment portfolio is as follows:

Listed shares located in State of Qatar

	2020	2019
	QR	QR
Consumer goods and services	185,517,229	131,140,584
Transportations	13,149,210	30,500,000
Banks and financial services	7,406,800	-
Telecommunication	2,030,400	2,407,418
Other industries	18,228,708	-
	226,332,347	164,048,002

6. INVENTORIES

	2020	2019
	QR	QR
Vehicles	-	2,979,073
Spare parts and consumables	4,882,569	5,121,127
Gross inventories	4,882,569	8,100,200
Provision for slow moving inventories	(4,332,226)	(6,756,066)
	550,343	1,344,134

Movement in provision for slow moving inventories

	2020	2019
	QR	QR
Balance at 1 January	6,756,066	3,628,166
Addition during the year (Note 12)	2,930,823	3,127,900
Reversal during the year	(5,354,663)	-
Balance at 31 December	4,332,226	6,756,066

7. PREPAYMENTS AND OTHER RECEIVABLES

	2020	2019
	QR	QR
Advance payments to suppliers	3,502,614	9,810,515
Prepayments and other receivables	1,497,639	20,162,147
Profits accrued on bank deposits	1,008,318	5,005,221
Security deposit	200,580	200,580
	6,209,151	35,178,463
Allowance for expected credit losses of other receivables	(270,000)	(270,000)
	5,939,151	34,908,463

Movement in allowance of expected credit losses for other receivables

	2020	2019
	QR	QR
Balance at 1 January	270,000	-
Provision during the year (Notes 23,12)	-	270,000
	270,000	270,000

8. PROPERTY AND EQUIPMENT

	Land QR	Building QR	Office equipment QR	Furniture and fixtures QR	Heavy equipment, trucks and motor vehicles QR	Work in progress QR	Total QR
Cost:							
At 1 January 2019	29,991,000	107,707,716	7,054,690	9,451,853	64,713,996	2,195,501	221,114,756
Additions	-	4,613,901	1,740,169	107,237	814,782	-	7,276,089
Disposal	-	-	-	-	(1,843,100)	-	(1,843,100)
Reclassification	-	1,103,500	900,000	-	-	(2,003,500)	-
Write off	-	-	(8,295)	(500)	(75,153)	-	(83,948)
At 31 December 2019	29,991,000	113,425,117	9,686,564	9,558,590	63,610,525	192,001	226,463,797
Additions	-	-	101,150	-	242,800	-	343,950
Disposal	-	-	-	-	(2,284,109)	-	(2,284,109)
Transfer to assets held for sale	-	-	-	-	(53,350,648)	-	(53,350,648)
At 31 December 2020	29,991,000	113,425,117	9,787,714	9,558,590	8,218,568	192,001	171,172,990
Accumulated Depreciation:							
At 1 January 2019	-	22,025,355	6,284,261	8,635,828	21,099,929	-	58,045,373
Charge for the year	-	6,288,522	776,438	266,666	9,486,212	-	16,817,838
Related to disposal	-	-	-	-	(1,794,144)	-	(1,794,144)
Related to write off	-	-	(8,295)	(500)	-	-	(8,795)
At 31 December 2019	-	28,313,877	7,052,404	8,901,994	28,791,997	-	73,060,272
Charge for the year	-	6,489,170	864,760	237,583	8,113,332	-	15,704,845
Related to disposal	-	-	-	-	(1,230,418)	-	(1,230,418)
Related to assets held for sale	-	-	-	-	(31,360,370)	-	(31,360,370)
At 31 December 2020	-	34,803,047	7,917,164	9,139,577	4,314,541	-	56,174,329
31 December 2020	29,991,000	78,622,070	1,870,550	419,013	3,904,027	192,001	114,998,661
31 December 2019	29,991,000	85,111,240	2,634,160	656,596	34,818,528	192,001	153,403,525

8. PROPERTY AND EQUIPMENT (CONTINUED)

Depreciation charge for the year has been allocated in the consolidated statement of profit or loss on the following basis:

	2020	2019
	QR	QR
Depreciation attributable to general and administration (Note 23)	3,815,180	3,558,838
Depreciation attributable to general and administration-discontinued operations (Note 12)	730,030	854,106
Direct costs forming part of operating expenses (Note 22)	4,270,443	4,016,698
Direct costs forming part of operating expenses – discontinued operations (Note 12)	6,889,192	8,388,196
	15,704,845	16,817,838

9. LEASES

a) Group as a lessee

The Group has lease contract for land used in its operations. Leases of land generally have lease terms of 25 years.

Set out below, are the carrying amounts of the Group's right-of-use asset and lease liability and the movements during the year:

Right-of-use asset

	2020	2019
	QR	QR
At 1 January	655,695	712,303
Amortization (Note 23)	(56,606)	(56,608)
	599,089	655,695

Lease liability

	2020	2019
	QR	QR
At 1 January	827,799	881,603
Finance costs for the year	43,237	46,196
Payment during the year	(100,000)	(100,000)
	771,036	827,799

b) Group as a lessor

The Group has entered into operating leases on its investment properties. These leases have remaining terms of 2 -3 years.

Future minimum rentals receivable under non-cancellable operating leases as at 31 December are as follows:

	2020	2019
	QR	QR
Less than one year	3,521,050	5,125,800
Between one and three years	217,000	2,551,050
	3,738,050	7,676,850

10. INVESTMENT PROPERTY

a) Reconciliation of carrying value

The Group's investment properties consist of warehouses which are constructed on the lands obtained under operating lease from the State of Qatar.

	2020	2019
	QR	QR
At 1 January	103,291,058	106,277,617
Valuation loss	(4,243,417)	(2,986,559)
Balance at 31 December	99,047,641	103,291,058

b) Measurement of fair values

The investment property includes a property leased out under an operating lease agreement to third parties. The fair value of the Group's investment properties at 31 December 2020 has been arrived using a discounted cash flow (DCF) method and the market comparable approach.

Under the DCF method, fair value is estimated using assumptions regarding the benefits and liabilities of ownership over the asset's life including an exit or terminal value. This method involves the projection of a series of cash flows on a real property interest. To this projected cash flow series, an appropriate, market-derived discount rate is applied to establish the present value of the income stream associated with the asset.

Under the market comparable approach, a property's fair value is estimated based on the comparable transactions. The market comparable approach is based upon the principle of substitution, under which a potential buyer will not pay more for a property than the amount to buy a comparable substitute property. Management assumes that the operating lease agreements relating to acquisition of the land on which the buildings of those properties were constructed from the State of Qatar, which have expiration dates, will be renewed in perpetuity. Consequently, it is not expected that the fair values of these properties will decline as these lease agreements approach their expiry dates. The unit of comparison applied by the valuer is depreciated value for the building per square meter and the market price per square foot for the land.

The Group's management determines the valuation policies and procedures for property valuations.

The fair valuations of investment properties using the market comparable approach were performed by an accredited independent valuer with a recognised and relevant professional qualification and with recent experience in valuing similar properties at similar locations.

The fair value that arrived using both methods as of 31 December 2020 is within a similar range. The management decided to use the DCF method.

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

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

Valuation technique	Significant unobservable inputs	Range (weighted average)	
		2020	2019
(refer to the below)	Rent growth rate	2.94%	2.98%
	Long term vacancy rate	5%	5%
	Discount rate	7.67%	7.90%

10. INVESTMENT PROPERTY (CONTINUED)

Using the DCF method, fair value is estimated using assumptions regarding the benefits and liabilities of ownership over the asset's life including an exit or terminal value. This method involves the projection of a series of cash flows on a real property interest. To this projected cash flow series, a market-derived discount rate is applied to establish the present value of the income stream associated with the asset. The exit yield is normally separately determined and differs from the discount rate.

The duration of the cash flows and the specific timing of inflows and outflows are determined by events such as rent reviews, lease renewal and related re-letting, redevelopment, or refurbishment. The appropriate duration is typically driven by market behavior that is a characteristic of the class of real property. Periodic cash flow is typically estimated as gross income less vacancy, non-recoverable expenses, collection losses, lease incentives, maintenance cost, agent and commission costs and other operating and management expenses. The series of periodic net operating income, along with an estimate of the terminal value anticipated at the end of the projection period, is then discounted.

Significant increases (decreases) in estimated rental value and rent growth per annum in isolation would result in a significantly higher (lower) fair value of the properties. Significant increases (decreases) in the long-term vacancy rate and discount rate (and exit yield) in isolation would result in a significantly lower (higher) fair value. Generally, a change in the assumption made for the estimated rental value is accompanied by a directionally similar change in the rent growth per annum and discount rate (and exit yield), and an opposite change in the long-term vacancy rate. Change in discount rate assumption is shown below:

	2020	
	movement in fair value	
	QR	QR
Discount rate	0.5% increase	0.5% decrease
Investment property	(10,253,873)	12,703,080

The following amounts in relation to the investment property have been recognised in profit or loss:

	2020	2019
	QR	QR
Rental income (Note 19)	5,016,641	4,910,550
Direct operating expenses that generate rental income	900,000	339,313
Direct operating expenses that did not generate rental income	237,696	129,394

11. INTANGIBLE ASSETS

	Driving school license	Software	Total
	QR	QR	QR
Cost:			
At 1 January 2020	8,000,000	5,460,185	13,460,185
Addition	-	-	-
At 31 December 2020	8,000,000	5,460,185	13,460,185
At 1 January 2019	8,000,000	5,046,185	13,046,185
Additions	-	414,000	414,000
At 31 December 2019	8,000,000	5,460,185	13,460,185
Amortization:			
At 1 January 2020	-	4,823,305	4,823,305
Charge for the year	-	189,000	189,000
At 31 December 2020	-	5,012,305	5,012,305
At 1 January 2019	-	4,590,185	4,590,185
Charge for the year	-	233,120	233,120
At 31 December 2019	-	4,823,305	4,823,305
Net carrying amounts:			
31 December 2020	8,000,000	447,880	8,447,880
31 December 2019	8,000,000	636,880	8,636,880

	2020	2019
	QR	QR
Amortization attributable to general and administration expenses (Note 23)	189,000	233,120
	189,000	233,120

On 2 September 2013, the Group purchased a license to operate a driving school assigned with a local company (“transferee”). The license was purchased as a part of a transfer of the ownership of the local company to the Group.

At the date of transfer of ownership of the local company, the only asset held by the transferee was the license to operate a driving school amounting to QR 8 Million. The license granted to the Group has an indefinite useful life.

The Group performed its annual impairment test of this license in December 2020. The recoverable amount of the driving academy as at 31 December 2020 has been determined based on a value in use calculation using cash flow projections from financial budgets approved by senior management covering a five-year period. The projected cash flows have been updated to reflect the decreased demand impacted by COVID-19. As per this analysis It was concluded that the fair value less costs of disposal exceeding the value in use. As a result of this analysis, management has not recognised any impairment to its driving school license. In addition, the government of the State of Qatar did not offer new license in last period that led to increase of demand on the existing driving schools in Qatar.

12. ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS

Taxi Segment

In December 2020, The Group committed to a plan to sell all taxi and limousine vehicles and initiated selling process through local auctions for third parties. Accordingly, vehicles of taxi and limousine operations has been classified as assets held for sale and written down to its fair value less costs to sell, based on estimated fair value of the same vehicles on the current market. The Group recognized QR 14,030,278 as impairment loss from this classification as below:

	2020
	QR
Net book value of vehicles transferred from Property and equipment	21,990,278
Net book value of vehicles transferred from inventory	1,740,000
Loss on revaluation of vehicles	(14,030,278)
Assets held for sale	9,700,000

This decision was taken in line with the Group's strategy to restructure Group's operations and focus on profit generating segments.

As a result, revenues and expenses, and gains and losses relating to the discontinuation of this operation have been removed from the results of continuing operations and are shown as a single line item on the face of the statement of profit or loss and comparative information has been reclassified to be consistent with this presentation.

Below is the summarized financial information of Taxi and limousine operations:

	2020	2019
	QR	QR
Revenues	18,391,416	41,744,836
Other income	2,915,557	1,707,735
TOTAL REVENUES & INCOME	21,306,973	43,452,571
Direct costs (Note i)	(29,857,672)	(45,251,349)
General and administrative expenses (Note ii)	(10,781,115)	(6,772,785)
Loss on revaluation of assets	(14,030,278)	-
TOTAL EXPENSES	(54,669,065)	(52,024,134)
NET OPERATING LOSS	(33,362,092)	(8,571,563)
Finance income	374,549	1,546,707
Loss from discontinued operations	(32,987,543)	(7,024,856)
Basic and diluted loss per share from discontinuing operations	(0.067)	(0.014)

12. ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS (CONTINUED)

(Note i)
Summary of direct costs summarized as below:

	2020	2019
	QR	QR
Cost of taxi operations	19,625,816	31,680,913
Depreciation and amortization (Note 8)	6,889,192	8,388,196
Provision for slow moving inventories	2,930,823	3,127,900
Loss on sale/retirement of property and equipment	411,841	2,054,340
	29,857,672	45,251,349

(Note ii)
Summary of general and administration expenses summarized as below:

	2020	2019
	QR	QR
Staff costs	2,195,312	3,010,265
Depreciation and amortization (Note 8)	730,030	854,106
Professional and Legal Fees	24,537	396,958
Software & Licenses	131,845	180,000
General Meeting, Telephone and Consumable Expenses	92,067	130,477
Penalty related to liquidation of Group's guarantees.	5,520,000	-
Repairs & Maintenance Expenses	200,273	60,045
Advertising Expenses	7,800	36,879
Security Expenses	191,808	136,250
Insurance	4,709	3,746
Licensing & Listing	34,030	14,755
Bank charges & Commissions	115,456	87,011
Travel Expenses	69,049	114,848
Write off related to advances to suppliers	-	877,000
Net reversal of / Provision for expected credit losses (Notes 3,4 and 7)	1,459,411	338,239
Miscellaneous expenses	4,788	532,206
	10,781,115	6,772,785

The net cash flows of the taxi and limousine segment are as follows;

	2020	2019
	QR	QR
Operating	(5,174,802)	(26,244,872)
Investing	1,192,057	31,263,510
Net cash inflow	(3,982,745)	5,018,638

13. ACCOUNTS PAYABLE, ACCRUALS AND OTHER PAYABLES

	2020	2019
	QR	QR
Accounts payable and advances from customers	38,238,352	44,862,193
Unclaimed dividends	7,054,610	12,654,166
Provision for employees' end of service benefits (a)	4,544,509	4,207,943
Provision for social contribution (b)	321,398	605,552
Accrued expenses	13,907,734	16,408,290
	64,066,603	78,738,144

Notes:
(a) Provision for employees' end of service benefits

	2020	2019
	QR	QR
At 1 January	4,207,943	3,390,037
Charge for the year	848,602	996,129
Payments during the year	(512,036)	(178,223)
	4,544,509	4,207,943

(b) Contribution to Social and Sports Development Fund

Pursuant to Law No. 13 of 2008 and further clarification of the law issued in 2010, the Group made an appropriation of QR 321,398 for the year 2020 (QR 605,552 for the year 2019) to the Social and Sports Development Fund of Qatar. This amount represents 2.5% of the net profit for the year ended 31 December 2020.

14. ISLAMIC FINANCING UNDER WAKALAH ARRANGEMENTS

During 2016, the Group has obtained Islamic financing facility under Wakalah arrangement to fund construction and development of taxi complex, driving school and warehouses. During the year, the Group combined its existing facilities to one facility repayable on 24 equal installments ending 2022. The facility is secured by term deposits and carries financing charges at 2.5%. The current and non-current portion of the loan is disclosed in note 30.

	2020	2019
	QR	QR
At 1 January	50,890,341	76,423,363
Paid	(9,000,505)	(25,533,022)
	41,889,836	50,890,341

15. CONTRACT LIABILITIES

	2020	2019
	QR	QR
Contract Liability from property development (Note (i))	11,413,173	58,300,742
Contracts Liability related to driving academy	4,734,418	1,318,881
Contract Liability from property rental	95,852	-
	16,243,443	59,619,623

(i) During 2010, the Group entered into an arrangement with Qatari Diar Real Estate Co., for undertaking the infrastructure development of the plot areas in the North and West Water Front of Lusail area. This amount will be recognized in the consolidated statement of profit or loss based on the percentage of completion of the infrastructure development.

16. SHARE CAPITAL

	2020	2019
	QR	QR
Authorized, Issued and Fully paid-up		
494,802,000 ordinary shares of QR 1 each	494,802,000	494,802,000

17. LEGAL RESERVE

In accordance with the Qatar Commercial Companies' Law No.11 of 2015, QR 321,621,300 received in excess of the nominal amount of the share issued during the year 2012 has been credited to the Legal reserve. The legal reserve is not available for distribution except in circumstances specified in the said Law. The Group has not appropriated any amount to legal reserve during the year as the reserve had already exceeded 50% of the Group's share capital.

18. DIVIDENDS

During 2020, the Group declared a dividend of QR 0.05 per share amounting to QR 24,740,100 in respect of 2019 results. (2019: QR 0.50 per share amounting to QR 24,740,100 in respect of 2018 results).

19. REVENUES FROM CORE BUSINESS

			2020	2019
			QR	QR
Revenue from leasing operations (Note i)				
	2020	2019	862,646	1,010,937
Morabaha	715,585	619,593		
Ijarah	147,061	391,344		
Type of goods or services				
Revenue from real estate property development			47,228,525	92,579,307
Revenue from driving academy operations			6,414,891	5,872,081
Revenue from warehouse rental (Note 10)			5,016,641	4,910,550
Revenue from plots resale			-	848,188
			59,522,703	105,221,063

Note (i)
During 2019, The Group received a letter from Qatar Central Bank (QCB) requesting to cease the leasing and Islamic finance operations of the group. The letter emphasized that the Group has to fully comply with Qatar Central Bank law and the Regulation of Financial Institutions no. 13 of 2012. The management of the Group is still in the process of preparing the relevant documents and updating its systems in order to register the leasing segment under QCB and accordingly the operation of leasing and Islamic finance was temporarily ceased until the matter is regularized with the Qatar Central Bank.

	2020	2019
	QR	QR
Timing of revenue recognition		
Products and services transferred over time	53,643,416	98,451,388
Products transferred at a point in time	-	848,188
Income from Ijarah operations	862,646	1,010,937
Straight line over lease period	5,016,641	4,910,550
	59,522,703	105,221,063

All revenue sources are earned inside the State of Qatar.

The transaction price allocated to the remaining performance obligations (unsatisfied or partially unsatisfied) as at 31 December are, as follows:

	2020	2019
	QR	QR
Within one year	15,489,642	59,619,623
More than one year	-	-
	15,489,642	59,619,623

20. INCOME FROM INVESTMENTS

	2020	2019
	QR	QR
Gain on fair value of investment securities at FVTPL	50,746,188	1,041,040
Dividend income	8,889,356	8,788,623
Other income from financial assets	360,124	1,820
	59,995,668	9,831,483

21. OTHER INCOME

	2020	2019
	QR	QR
Others	279,948	710,881
Proceeds from legal case (Note i)	-	17,893,825
Reversal of Board of Directors provision	-	1,170,000
Back charges accepted by contractor	-	600,000
Gain on sale of property and equipment	-	10,955
	279,948	20,385,661

(i) During 2018, the Court of Civil Cassation issued its final decree in the lawsuit raised by the Group against Local Company, the Court final decree forced the Defendant to pay back QR 17,893,825 to the Group in addition to legal expenses. The Group has received the amount in full during 2020.

22. OPERATING EXPENSES

	2020	2019
	QR	QR
Property development cost	42,324,570	72,334,617
Depreciation (Notes 8)	4,270,443	4,016,698
Cost of driving academy operations	2,438,936	2,266,472
Property expenses arising from investment property that generate rental income.	1,641,294	339,313
Property expenses arising from investment property that did not generate rental income.	237,696	129,394
	50,912,939	79,086,494

23. GENERAL AND ADMINISTRATION EXPENSES

	2020	2019
	QR	QR
Staff costs	14,970,675	19,102,498
Depreciation and amortization (Notes 8, 9, 11)	4,060,786	3,848,567
Professional and legal Fees	2,087,774	1,886,597
Software & licenses	1,279,604	1,404,775
Repairs & maintenance expenses	1,275,769	1,124,276
Business promotion	933,887	1,343,700
Security expenses	666,762	622,348
Licensing & listing	541,274	505,810
General meeting, telephone and consumable expenses	536,117	1,403,498
Insurance	382,527	427,207
Advertising expenses	320,882	751,868
Donation and charity	252,540	25,900
Bank charges & commissions	133,350	113,692
Rent expenses	76,039	193,395
Postage printing and stationery	73,974	124,015
Discounts on settlement of dues	-	1,202,727
Travel expenses	17,540	44,118
Net reversal of / provision for expected credit losses (Notes 3,4,7)	(5,387,349)	(769,818)
Miscellaneous expenses	81,894	285,888
	22,304,045	33,641,061

23.(a) EXPENSES BY NATURE

	2020 QR	2019 QR
Operating expenses	50,912,939	79,086,494
General and administrative expenses	22,304,045	33,641,061
	73,216,984	112,727,555

	2020 QR	2019 QR
Cost of infrastructure	42,259,670	72,334,617
Staff costs	17,094,254	20,921,000
Depreciation & amortization (Notes 8,9 and 11)	8,331,229	7,865,266
Professional and legal fees	2,087,774	1,886,597
General meeting, telephone and consumable expenses	1,908,516	1,637,497
Software & licenses	1,279,604	1,404,775
Repairs & maintenance expenses	1,275,769	1,229,588
Business promotion	933,887	1,343,700
Insurance expenses	722,170	619,638
Security expenses	666,762	622,348
Licensing & listing	541,274	505,810
Advertising expenses	320,882	751,868
Other operating expenses	272,535	104,816
Donation and charity	252,540	25,900
Bank charges & commissions	198,251	113,692
Fuel	92,137	161,789
Rent & accommodation expenses	85,509	215,459
Vehicle licenses	82,513	60,321
Postage printing and stationery	73,974	124,015
Vehicle repairs & maintenance	25,649	35,944
Travel expenses	17,540	44,118
Discounts on settlement of dues	-	1,202,727
Net reversal of / provision for expected credit losses (Notes 3,4 and 7)	(5,387,349)	(769,818)
Miscellaneous expenses	81,894	285,888
	73,216,984	112,727,555

24. Fair value reserve

This reserve comprises the fair value changes recognised on financial assets measured at FVTOCI.

	2020 QR	2019 QR
At 1 January	-	-
Net change in fair value of equity measured at FVTOCI	(1,823,931)	-
At 31 December	(1,823,931)	-

25. RELATED PARTY DISCLOSURES

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

Key management personnel remuneration

	2020	2019
	QR	QR
Key management personnel remuneration	3,843,131	3,895,489

26. INCOME TAX

The major components of income tax expense for the years ended 31 December 2020 and 2019 are:

	2020	2019
Current income tax charge	50,000	-
Adjustments in respect of current income tax of previous year	247,038	-
Income tax expense reported in the statement of profit or loss	297,038	-

27. BASIC AND DILUTED EARNINGS PER SHARE

	2020	2019
Profit for the year (QR)	12,855,938	24,222,085
Weighted average number of shares	494,802,000	494,802,000
Basic and Diluted Earnings per share (QR)	0.026	0.049

Basic and diluted earnings per share from continuing operations has calculated as below:

	2020	2019
Profit for the year from continuing operations (QR)	45,843,481	31,246,941
Weighted average number of shares	494,802,000	494,802,000
Basic and Diluted Earnings per share (QR)	0.093	0.063

There were no potentially diluted shares outstanding at any time during the year, therefore, the diluted earnings per share is equal to the basic earnings per share.

The weighted average numbers of shares have been calculated as follows:

	2020	2019
Qualifying shares at the beginning of the year	494,802,000	494,802,000
Balance at end of the year	494,802,000	494,802,000

28. SEGMENT REPORTING

Based on the nature of core activities of the business, the Group is segmented into five major operating segments. The major operating segments are given below with their respective revenue and analysis of assets and liabilities:

- Financial Leasing (Ijarah)
- Transportation
- Property Development
- Driving School
- Taxi Services (including Limousine)

The Group operates geographically in only one segment, being in the state of-Qatar.

28. SEGMENT REPORTING (CONTINUED)

The following table presents segment revenues and profits of the Group's operating segments as at 31 December 2020 and 31 December 2019:

2020	Financial Leasing	Transportation	Property Development	Driving School	Holding	Taxi Services	Elimination	Total
	QR	QR	QR	QR	QR	QR	QR	QR
Revenues and Gains:								
External Parties	912,144	-	52,353,449	6,429,813	60,102,913	-	-	119,798,319
Internal Parties	-	-	4,188,000	-	-	-	(4,188,000)	-
Total Revenues and Gains	912,144	-	56,541,449	6,429,813	60,102,913	-	(4,188,000)	119,798,319
Loss from discontinued operations	-	-	-	-	-	(32,987,543)	-	(32,987,543)
Profit (Loss) for the year	4,246,363	-	(4,081,873)	(2,448,038)	48,127,029	(32,987,543)	-	12,855,938
Finance Income	50,891	-	1,466,785	20,040	3,637,718	-	-	5,175,434
Finance Cost	-	-	(1,372,833)	-	-	-	-	(1,372,833)
Depreciation and amortization	3,867	-	6,676,244	1,446,570	204,549	7,619,222	-	15,950,452

2019	Financial Leasing	Transportation	Property Development	Driving School	Holding	Taxi Services	Elimination	Total
	QR	QR	QR	QR	QR	QR	QR	QR
Revenues and Gains:								
External parties	1,322,589	-	99,062,548	5,885,969	29,167,101	-	-	135,438,207
Internal parties	-	-	4,188,000	-	-	-	(4,188,000)	-
Total Revenues and Gains	1,322,589	-	103,250,548	5,885,969	29,167,101	-	(4,188,000)	135,438,207
Profit (Loss) for the year	(1,026,511)	-	16,588,966	(2,010,904)	17,695,390	(7,024,856)	-	24,222,085
Finance income	37,605	-	4,391,726	9,246	9,626,673	-	-	14,065,250
Finance cost	-	-	(2,496,206)	-	(46,196)	-	-	(2,542,402)
Depreciation and amortization	5,203	-	6,291,815	1,291,940	276,306	9,242,302	-	17,107,566

28. SEGMENT REPORTING (CONTINUED)

The following table presents segment assets and liabilities of the Group's operating segments as at 31 December 2020 and 31 December 2019:

As of 31 December 2020	Financial Leasing	Transportation	Property Development	Driving School	Taxi Services	Holding	Elimination	Total
	QR	QR	QR	QR	QR	QR	QR	QR
Current asset	314,405,588	19,261,685	182,136,734	7,972,694	35,431,462	484,808,867	(462,711,686)	581,305,344
Non-current assets	4,427,208	-	208,938,798	12,373,517	1,402,371	13,760,027	-	240,901,921
Total Assets	318,832,796	19,261,685	391,075,532	20,346,211	36,833,833	498,568,894	(462,711,686)	822,207,265
Current liabilities	(10,781,029)	(75,714)	(46,408,987)	(26,642,458)	(322,627,405)	(95,628,911)	416,511,686	(85,652,818)
Non-current liabilities	(150,230)	-	(32,814,669)	(214,733)	(396,231)	(3,742,237)	-	(37,318,100)
Total Liabilities	(10,931,259)	(75,714)	(79,223,656)	(26,857,191)	(323,023,636)	(99,371,148)	416,511,686	(122,970,918)

As of 31 December 2019	Financial Leasing	Transportation	Property Development	Driving School	Taxi Services	Holding	Elimination	Total
	QR	QR	QR	QR	QR	QR	QR	QR
Current asset	302,258,004	19,083,801	191,693,267	2,768,067	34,654,627	493,202,351	(418,775,117)	624,885,000
Non-current assets	8,556,923	183,680	219,179,164	13,631,288	35,669,503	1,236,187	-	278,456,745
Total Assets	310,814,927	19,267,481	410,872,431	16,399,355	70,324,130	494,438,538	(418,775,117)	903,341,745
Current liabilities	(7,033,483)	(81,510)	(67,106,556)	(20,190,629)	(316,738,615)	(115,831,824)	372,575,117	(154,407,500)
Non-current liabilities	(126,269)	-	(30,760,126)	(93,129)	(678,314)	(4,010,569)	-	(35,668,407)
Total Liabilities	(7,159,752)	(81,510)	(97,866,682)	(20,283,758)	(317,416,929)	(119,842,393)	372,575,117	(190,075,907)

During 2017, the Board of Directors decided to hold the operations of Transportation division of the Group, which was primarily focusing on industrial equipment transportation. However, the Board of Directors are currently reassessing the strategy on equipment transportation business and accordingly no operations took place from that period.

29. CONTINGENT LIABILITIES & COMMITMENTS

	2020	2019
	QR	QR
Letter of guarantees from Islamic banks	11,670,000	17,088,000
Capital commitments	8,666,183	48,825,842

30. CURRENT AND NON-CURRENT ANALYSIS OF ASSETS AND LIABILITIES

2020	Non-current	Current	Total
	QR	QR	QR
ASSETS			
Balances with financial institutions and cash	-	337,905,503	337,905,503
Installments and dues from customers	4,419,215	14,267,435	18,686,650
Investment securities	13,188,855	213,143,492	226,332,347
Inventories	-	550,343	550,343
Prepayments and other receivables	200,580	5,738,571	5,939,151
Property and equipment	114,998,661	-	114,998,661
Investment property	99,047,641	-	99,047,641
Intangible asset	8,447,880	-	8,447,880
Right-of-use asset	599,089	-	599,089
Assets held for sale	-	9,700,000	9,700,000
Total Assets	240,901,921	581,305,344	822,207,265
LIABILITIES			
Accounts payables, accruals and other payables	19,294,035	44,772,568	64,066,603
Islamic financing under wakalah arrangements	17,325,794	24,564,042	41,889,836
Contract liabilities	-	16,243,443	16,243,443
Lease liability	698,271	72,765	771,036
Total Liabilities	37,318,100	85,652,818	122,970,918

2019	Non-current	Current	Total
	QR	QR	QR
ASSETS			
Balances with financial institutions and cash	-	404,291,022	404,291,022
Installments and dues from customers	12,269,007	20,493,959	32,762,966
Investment securities	-	164,048,002	164,048,002
Inventories	-	1,344,134	1,344,134
Prepayments and other receivables	200,580	34,707,883	34,908,463
Property and equipment	153,403,525	-	153,403,525
Investment property	103,291,058	-	103,291,058
Intangible asset	8,636,880	-	8,636,880
Right-of-use asset	655,695	-	655,695
Total Assets	278,456,745	624,885,000	903,341,745
LIABILITIES			
Accounts payables, accruals and other payables	34,859,153	43,878,991	78,738,144
Islamic financing under wakalah arrangements	-	50,890,341	50,890,341
Contract liabilities	-	59,619,623	59,619,623
Lease liability	809,254	18,545	827,799
Total Liabilities	35,668,407	154,407,500	190,075,907

31. FINANCIAL RISK MANAGEMENT

The activities of the Group expose it to routine financial risks, including the effects of defaults by customers, profit rates and liquidity. The Group seeks to minimize potential adverse effects on the financial performance of the Group by taking appropriate steps to address specific risk management areas, such as profit rate risk, credit risk and liquidity management. There is no foreign currency risk as all balances are in QR.

Credit Risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Group's exposure to credit risk is limited to the carrying amount of its financial assets which consist primarily of bank balances and financing facilities to customers. Credit risk on bank balance is limited to as deposits are placed with banks with high credit ratings assigned by international credit-rating agencies. Credit risk due from customers is limited by obtaining collaterals and mortgage on leasing facilities.

Concentrations of credit risk arise when a number of counter-parties are engaged in similar business activities, or activities in the same geographic region, or have similar economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentrations of credit risk indicate the relative sensitivity of the Group's performance to developments affecting a particular industry or geographic region.

The Group seeks to manage its credit risk exposure through diversification of lending activities to avoid undue concentration of risks with individuals of customers in specific locations or businesses.

Maximum exposure to credit risk

The table below shows the maximum exposure to credit risk for the components of both off and on balance sheet items:

	2020	2019
	QR	QR
Balances with financial institutions	337,982,904	404,282,936
Installments and dues from customers	18,686,650	32,762,966
Security deposit	200,580	200,580
	356,870,134	437,246,482

Inputs, assumptions and techniques used for estimating impairment

Significant increase in credit risk

When determining whether the risk of default on a financial instrument has increased significantly since initial recognition, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis including internal credit risk grading system, external risk ratings, where available, delinquency status of accounts, credit judgement and, where possible, relevant historical experience. The Bank may also determine that an exposure has undergone a significant increase in credit risk based on particular qualitative indicators that it considers are indicative of such and whose effect may not otherwise be fully reflected in its quantitative analysis on a timely basis.

In determining whether credit risk has increased significantly since initial recognition following criteria's are considered:

(i) All accounts classified as special mention
(ii) Clients with a credit risk rating with C and D.
(vi) The credit limits that have expired/ matured and have not been renewed or its renewal date have not been differed/postponed.

31. FINANCIAL RISK MANAGEMENT (CONTINUED)

Credit Risk (continued)

Credit risk grades
Credit risk grades are defined using qualitative and quantitative factors that are indicative of risk of default. These factors vary depending on the nature of the exposure and the type of borrower. Exposures are subject to on-going monitoring, which may result in an exposure being moved to a different credit risk grade.

Generating the term structure of Probability of Default (PD)
The Group employs statistical models to analyse the data collected and generate estimates of PD of exposures and how these are expected to change as a result of the passage of time. This analysis includes the identification and calibration of relationships between changes in default rates and changes in key macro-economic factors, across various geographies in which the Bank has exposures.

Renegotiated financial assets
The contractual terms of a facility may be modified for a number of reasons, including changing market conditions, customer retention and other factors not related to a current or potential credit deterioration of the customer. An existing facility whose terms have been modified may be derecognised and the renegotiated facility recognised as a new facility at fair value. Where possible, the Group seeks to restructure facilities rather than to take possession of collateral, if available. This may involve extending the payment arrangements and documenting the agreement of new facility conditions. Management continuously reviews renegotiated facilities to ensure that all criteria are met and that future payments are likely to occur.

Definition of default
The Group considers a financial asset to be in default when:

- the customer is unlikely to pay its credit obligations to the Group in full, without recourse by the Bank to actions such as realising security (if any is held); or
- the customer is past due more than 90 days on any material credit obligation to the Group; or
- the customer is rated C or D.

In assessing whether a customers is in default, the Group also considers indicators that are:

- quantitative – e.g. overdue status and non-payment on another obligation of the same issuer to the Group; and
- based on data developed internally and obtained from external sources.

Inputs into the assessment of whether a financial instrument is in default and their significance may vary over time to reflect changes in circumstances. The definition of default largely aligns with that applied by the Group for regulatory capital purposes.

Loss allowance
The following tables show reconciliations from the opening to the closing balance of the loss allowance for installment and dues from customers and other receivables:

	As at 31 December 2020			
	Gross carrying amount	Expected credit losses	Net carrying amount	
	QR	QR	QR	Loss rate
Current – 30 days past due	5,605,931	(181,375)	5,424,556	3.24%
31 – 60 days past due	87,587	(113)	87,474	0.13%
61 – 90 days past due	1,639,279	(293,046)	1,346,233	17.88%
91 – 180 days past due	957,349	(255,728)	701,621	26.71%
More than 360 days past due	60,640,245	(49,513,479)	11,126,766	81.65%
Total	68,930,391	(50,243,741)	18,686,650	72.89%

31. FINANCIAL RISK MANAGEMENT (CONTINUED)

Credit Risk (continued)

Equity price risk
Equity price risk is the risk that the value of a financial instrument will fluctuate as a result of changes in market prices whether those changes are caused by factors specific to the individual security or its issuer or factors affecting all securities traded in the market. The Group limits market risk by maintaining a diversified portfolio and by continuous monitoring of the developments in the local markets. The Group is subject to equity price risk in relation to its investments that valued through profit and loss. The Group evaluates the current market and other factors including normal volatility in share price for quoted equities in order to manage its risk.

	Change in equity price	2020	2019
		QR	QR
Qatar Exchange	+/-10%	22,633,235	16,404,800

Liquidity risk
Liquidity risk is the risk that an entity will encounter difficulty in raising funds to meet commitments associated with financial instruments. Liquidity requirements are monitored on a periodic basis and the management ensures that sufficient funds are available to meet any future commitments. The Group also ensures liquidity by diversifying the Group's funding sources and entering into financial arrangements with reputable banks and financial institutions.

The following table details the Group's remaining contractual maturity for its non-derivative financial liabilities. The tables have been drawn up based on the undiscounted cash flows of financial assets and liabilities based on the earliest date on which the Group can be required to pay or expect to receive.

Financial liabilities At 31 December 2020	Less than 1 year	1-5 years	Total
	QR	QR	QR
Accounts payable and accruals	44,772,568	19,294,035	64,066,603
Islamic financing under wakalah arrangements	42,909,526	-	42,909,526
Lease liability	140,115	1,104,780	1,244,895
	87,822,209	20,398,815	108,221,024

Financial liabilities At 31 December 2019	Less than 1 year	1-5 Years	Total
	QR	QR	QR
Accounts payable and accruals	43,878,991	34,859,153	78,738,144
Islamic financing under wakalah arrangements	51,102,555	-	51,102,555
Lease liability	143,237	1,146,237	1,289,474
	95,124,783	36,005,390	131,130,173

Profit Rate Risk
The Group's financing arrangements are solely through Islamic arrangements. Management of the Group believes that these financing arrangements are not sensitive to a change in market profit rates as they are fixed based on the rate applicable at the date of lending.

31. FINANCIAL RISK MANAGEMENT (CONTINUED)

Capital Management

The Group manages its capital to ensure that it will be able to continue as a going concern while maximizing the return to shareholders through the optimization of the debt and equity balance. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders or issue new shares. No changes were made in the objectives, policies or processes during the year-end 31 December 2020 and 31 December 2019. Capital comprises share capital and accumulated losses of QR 494.8 Million and QR 156 Million, respectively (2019: QR 494.8 Million and QR 168.8 Million, respectively).

32. FAIR VALUES OF FINANCIAL INSTRUMENTS

Financial instruments comprise financial assets and financial liabilities. Financial assets consist of cash and cash equivalents, installments and dues from customers and financial assets at FVTPL and FVTOCI and certain other receivables. Financial liabilities consist of Islamic financing under wakalah arrangements, accounts payable, amounts due on construction contracts and certain other accruals.

Management believes that the fair values of financial assets and liabilities are not materially different from their carrying values.

33. FINANCIAL INSTRUMENTS BY CATEGORY

Financial assets at amortised cost

	2020	2019
	QR	QR
Installments and due from customers	18,686,650	32,762,966
Balances with financial institutions	324,042,808	404,282,936
Security deposit	200,580	200,580
	342,930,038	437,246,482

Other financial liabilities at amortized cost

	2020	2019
	QR	QR
Trade and other payables	38,238,352	44,862,193
Islamic financing under wakalah arrangements	41,889,836	50,890,341
Unclaimed dividend	7,054,610	12,654,166
	87,182,798	108,406,700

Financial Assets

	2020	2019
	QR	QR
Investment securities at fair value through profit or loss (FVTPL)	213,143,492	164,048,002
Investment securities at fair value through other comprehensive income (FVTOCI)	13,188,855	-
	226,332,347	164,048,002

34. COMPARATIVE INFORMATION

At the Annual General Assembly meeting held on 18 February 2019, the shareholders approved a resolution to transfer all the dividends paid out for the years ended 31 December 2015, 2016 and 2017 to be transferred out of the legal reserve instead from the previously reported retained earnings. Accordingly, the Group had transferred the respective dividends paid out of previously reported retained earnings. The reclassification adjustments were made pursuant to the shareholders resolution and have not resulted in any changes to previously reported net profit or equity.

The management reclassified certain prior year numbers to conform to current year presentation of continued and discontinued operations (Note 12). Such reclassification did not affect previously reported total equity or profit for the year.

35. IMPACT OF COVID-19

The outbreak of Novel Coronavirus (COVID-19) continues to progress and evolve. More countries have imposed travel bans on millions of people, and more people in more locations are placed with quarantine measures. The extent and duration of such impacts remain uncertain and dependent on future developments that cannot be accurately predicted at this time, such as the transmission rate of the coronavirus and the extent and effectiveness of containment actions taken. Businesses are dealing with lost revenue and disrupted supply chains. The Group engages in Leasing, Real Estate, Property Development, Transportation, Taxi Services and Driving Academy.

Further, the Group operations are concentrated in Qatar that relatively depend on the oil and gas income. The outbreak of COVID-19 has had an impact on demand for oil and petroleum products. Recent global developments have caused further volatility in commodity markets.

The Group is carefully monitoring the evolving situation around the spreading of the COVID-19 and the volatility in the oil prices and its impact on the business.

The inputs and assumptions used for the expected credit loss calculation ("ECL") as at 31 December 2020 were updated by the Group to reflect the economic uncertainties resulted due to the COVID-19 and volatility in oil prices. The Group has adjusted the forward-looking macro-economic factors and probability weights assigned to economic scenarios for ECL determination to reflect the economic uncertainties. Given the level of uncertainty and the sensitivity of judgments and estimates, the assumptions will be reassessed if adverse conditions continue.

Furthermore, on 22 March 2020 the Ministry of interior have announced a temporary cease of operation of certain sectors as parts of the measures taken by the government to suppress the spread of COVID 19 in Qatar. Al Ijarah Driving Academy was one of the affected sectors. The temporary cease of operations had negative impact on the revenues of this segment of the Group. The Driving school started to re-operate on August 2020.

Considering the current economic conditions, the Board have approved certain concessions for a short period to the existing tenants of the Group warehouses for a period of two months that resulted in a negative impact on the Group revenue.

The Group has also considered potential impacts of the current economic volatility in determination of the reported amounts of the Group's financial and non-financial assets and liabilities as of 31 December 2020, these are considered to represent management's best estimate based on the available or observable information. However, marker remain volatile and the recorded amounts remain sensitive to market fluctuations.