Alijarah Holding Q.P.S.C.
Consolidated Financial Statements
For the Year Ended 31 December 2021

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

Basis for opinion

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

Key audit matters

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

We have fulfilled the responsibilities described in the *Auditor's responsibilities for the audit of the consolidated financial statements* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated financial statements. The results of our audit procedures, including the procedures performed to address the 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
Valuation of investment properties	
The Group has investment properties (warehouse and labor accommodation) located in the State of Qatar. The Group measures its investment properties using fair value model in accordance with IAS 40. The fair value of Group's investment properties as at 31 December 2021 amounted to QR 116,591,644 (2020: QR 99,047,641), which is approximately 16% (2020: 12%) of the Group's total assets at the reporting date. The Group recorded fair value loss of QR 8,050,607 for the year ended 31 December 2021 (2020: fair value gain of QR 4,243,417) as disclosed in Note 11 to the consolidated financial statements.	Our audit procedures included the following key areas, among others: • We performed walkthrough procedures and obtained an understanding of the controls relating to the valuation of investment properties including valuation methods, assumptions and estimates used in the valuation of investment properties. • For the asset transferred from property and equipment to investment property during the year, we reviewed the rationale for the transfer, the cost allocation and the accounting entries made upon the transfer. -

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 investment properties	
Valuation of investment properties was considered a key audit matter due to the significance of the balance and the extent of significant judgments and estimates applied in assessing the fair values.	• With the assistance of our internal valuation specialist, we assessed: - whether the valuation approach and methodology used by the management are in accordance with generally accepted valuation standards practices; and - appropriateness of the assumptions and data used in the valuation such as projected cash flows, operating costs, terminal value, growth rate, weighted average cost of capital and market comparable prices where applicable. • We assessed the adequacy of the related disclosures in the consolidated financial statements including the disclosure of key assumptions and judgments.
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 and other receivables. The Group's gross installments and due from customers amounted to QR 60,073,714 (2020: QR 66,909,295) and the related allowances for expected credit losses (ECL) amounted to QR 48,802,880 (2020: QR: 50,067,161) as at the reporting date, as disclosed in Note 4 to the consolidated financial statements. This ECL is comprised of QR 30,525 (2020: QR 297,954) against stage 1 and stage 2 exposures, and QR 48,772,355 (2020 QR: 49,769,207) against exposures classified as stage 3. We identified the assessment of ECL on installments and due from customers as a key audit matter because of the significance of installments and due from customers balance 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: • Understood and evaluated 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.

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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)

Other information included in the Group's Annual Report 2021
Other information consists of the information included in the Group's 2021 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 2021 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 is responsible for overseeing the Group's financial reporting process.

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.

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 (continued)

- 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.

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 (as amended by Law No. 8 of 2021) and the Company's Articles of Association. We have obtained all the information and explanations we required for the purpose of our audit, and are not aware of any violations of the above mentioned law or the Articles of Association having occurred during the year, which might have had a material adverse effect on the Group's financial position or performance.

Ahmed Sayed

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

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Date: 27 January 2022
Doha

	Notes	2021	2020
		QR	QR
ASSETS			
Balances with financial institutions and cash	3	298,947,790	337,905,503
Installments and dues from customers	4	11,544,098	18,686,650
Investment securities	5	213,745,629	226,332,347
Inventories	6	400,641	550,343
Prepayments and other receivables	7	3,491,512	5,939,151
Assets held for sale	8	1,223,000	9,700,000
Property and equipment	9	83,696,858	114,998,661
Right-of-use asset	10	542,482	599,089
Investment properties	11	116,591,644	99,047,641
Intangible assets	12	8,258,880	8,447,880
TOTAL ASSETS		**738,442,534**	**822,207,265**
LIABILITIES AND EQUITY			
LIABILITIES			
Accounts payable, accruals and other payables	13	37,138,824	64,066,603
Islamic financing under wakalah arrangements	14	19,229,782	41,889,836
Contract liabilities	15	11,491,823	16,243,443
Lease liability	10	711,152	771,036
TOTAL LIABILITIES		**68,571,581**	**122,970,918**
EQUITY			
Share capital	16	494,802,000	494,802,000
Legal reserve	17	350,158,059	362,528,109
Fair value reserve	18	(4,043,070)	(1,823,931)
Revaluation surplus	11	102,788	-
Accumulated losses		(171,148,824)	(156,269,831)
TOTAL EQUITY		**669,870,953**	**699,236,347**
TOTAL LIABILITIES AND EQUITY		**738,442,534**	**822,207,265**

These consolidated financial statements were approved by the Board of Directors on 27th January 2022 and signed on their behalf by:

Sheikh Falah Bin Jassim Bin Jabr Al-Thani
Chairman

Hamad Shareef Al-Emadi
Chief Executive Officer

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	Notes	2021	2020
		QR	QR
CONTINUING OPERATIONS			
Revenues			
Revenues from core business	20	29,263,113	59,522,703
Income from investments	21	1,403,522	59,995,668
Other income		221,843	279,948
TOTAL REVENUES AND INCOME		30,888,478	119,798,319
Expenses			
Operating expenses	22	(20,443,018)	(50,912,939)
General and administration expenses	23	(25,723,120)	(22,304,045)
Loss on valuation of investment properties	11	(8,050,607)	(4,243,417)
TOTAL EXPENSES		(54,216,745)	(77,460,401)
NET OPERATING (LOSS) INCOME		(23,328,267)	42,337,918
Finance income from deposits with Islamic banks		4,440,129	5,175,434
Finance cost – Islamic Financing under Wakalah Arrangements		(817,746)	(1,372,833)
NET FINANCE INCOME		3,622,383	3,802,601
(LOSS) PROFIT BEFORE TAX FROM CONTINUING OPERATIONS		(19,705,884)	46,140,519
Income tax expense	24	(45,304)	(297,038)
(LOSS) PROFIT FOR THE YEAR FROM CONTINUING OPERATIONS		(19,751,188)	45,843,481
DISCONTINUED OPERATIONS			
PROFIT (LOSS) FOR THE YEAR FROM DISCONTINUED OPERATIONS	8	4,858,945	(32,987,543)
(LOSS) PROFIT FOR THE YEAR		(14,892,243)	12,855,938
Basic and diluted (loss) earnings per share	25	(0.030)	0.026
Basic and diluted (loss) earnings per share from continuing operations	25	(0.040)	0.093

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	Notes	2021 QR	2020 QR
(Loss) profit for the year		(14,892,243)	12,855,938
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	18	(2,205,889)	(1,823,931)
Revaluation surplus on investment properties	11	102,788	-
Net other comprehensive loss for the year		(2,103,101)	(1,823,931)
TOTAL COMPREHENSIVE (LOSS) INCOME FOR THE YEAR		(16,995,344)	11,032,007

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	Share capital	Legal reserve	Fair Value reserve	Revaluation Surplus	Accumulated losses	Total
	QR	QR	QR	QR	QR	QR
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 (loss) income for the year	-	-	(1,823,931)	-	12,855,938	11,032,007
Dividends paid (Note 19)	-	(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
Balance at 1 January 2021	494,802,000	362,528,109	(1,823,931)	-	(156,269,831)	699,236,347
Loss for the year	-	-	-	-	(14,892,243)	(14,892,243)
Other comprehensive (loss) income for the year	-	-	(2,205,889)	102,788	-	(2,103,101)
Total comprehensive (loss) income for the year	-	-	(2,205,889)	102,788	(14,892,243)	(16,995,344)
Transfer from fair value reserve to accumulated losses upon derecognition (Note 18)	-	-	(13,250)	-	13,250	-
Dividends paid (Note 19)	-	(12,370,050)	-	-	-	(12,370,050)
Balance at 31 December 2021	494,802,000	350,158,059	(4,043,070)	102,788	(171,148,824)	669,870,953

THE ACCOMPANYING NOTES FROM 1 TO 33 FORM AN INTEGRAL PART OF THESE CONSOLIDATED FINANCIAL STATEMENTS.

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	Notes	2021	2020
		QR	QR
Cash flows from operating activities			
(Loss) profit before tax from continuing operations		(19,705,884)	46,140,519
Profit (loss) before tax from discontinued operations		4,858,945	(32,987,543)
(Loss) profit before tax		(14,846,939)	13,152,976
Adjustments for:			
Depreciation and amortization	23.a	7,071,492	15,950,452
Valuation loss on investment properties		8,050,607	4,243,417
Loss (gain) on investment securities measured at fair value through profit or loss	21	7,016,135	(50,746,188)
Net allowance for expected credit losses on financial assets	23	(1,211,732)	(5,852,085)
Dividend income	21	(8,395,252)	(8,889,356)
Loss on impairment of property and equipment		-	14,030,278
Loss on disposal of property and equipment		44,143	297,640
(Reversal) provision for slow moving inventories	6	(379,960)	2,930,823
Gain on sale of assets held for sale		(786,387)	-
Finance income		(4,532,329)	(5,549,983)
Loss on impairment of assets held for sale		277,000	-
Write-off property and equipment		652,792	-
Finance cost		817,746	1,372,833
Provision for employees' end of service benefits	13(a)	697,946	848,602
Net operating loss for the year before working capital changes		(5,524,738)	(18,210,591)
Working capital changes			
Installments and dues from customers		8,406,834	19,913,607
Prepayments and other receivables		1,649,236	24,972,409
Inventories		529,662	(3,877,032)
Accounts payable, accruals and other payables		(27,303,485)	(10,061,736)
Deferred revenue		(4,751,620)	(43,376,180)
Finance cost paid		(761,634)	(1,294,845)
Employees' end of service benefits paid	13(a)	(383,538)	(512,036)
Net cash flows used in operating activities		(28,139,283)	(32,446,404)
Cash flows from investing activities			
Finance income received		5,330,730	9,546,886
Dividends received		8,395,252	8,889,356
Purchase of property and equipment	9	(1,722,839)	(343,950)
Net movement in bank term deposit		-	270,000,000
Purchase of investment securities		(33,159,805)	(190,309,984)
Proceeds from disposal of investment securities		36,524,500	176,947,895
Proceeds from disposal of property and equipment		10,000	756,050
Proceeds from disposal of assets held for sale		8,986,387	-
Net cash flows from investing activities		24,364,225	275,486,253

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Continued....

THE ACCOMPANYING NOTES FROM 1 TO 33 FORM AN INTEGRAL PART OF THESE CONSOLIDATED FINANCIAL STATEMENTS.

	Notes	2021	2020
		QR	QR
Cash flow from financing activities			
Dividends paid		(12,370,050)	(30,339,657)
Repayment of financing under wakalah arrangements	14	(22,660,054)	(9,000,505)
Repayment of lease liabilities	10	(100,000)	(100,000)
Net cash flows used in financing activities		(35,130,104)	(39,440,162)
Net (decrease) increase in cash and cash equivalents		(38,905,162)	203,599,687
Cash and cash equivalents at the beginning of the year		288,054,680	84,454,993
Cash and cash equivalents at the end of the year	3	249,149,518	288,054,680

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 (as amended by Law No. 8 of 2021). 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 27 January 2022.

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 Properties;
- 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 29.

2.2 Basis of consolidation

The consolidated financial statements comprise the financial statements of the Group and its subsidiaries as at 31 December 2021. 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 properties 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 properties (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 properties

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 2021 for the investment properties. 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 properties.

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 2021 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.

Interest Rate Benchmark Reform – Phase 2: Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16

The amendments provide temporary reliefs which address the financial reporting effects when an interbank offered rate (IBOR) is replaced with an alternative nearly risk-free interest rate (RFR). The amendments include the following practical expedients:

- A practical expedient to require contractual changes, or changes to cash flows that are directly required by the reform, to be treated as changes to a floating interest rate, equivalent to a movement in a market rate of interest
- Permit changes required by IBOR reform to be made to hedge designations and hedge documentation without the hedging relationship being discontinued
- Provide temporary relief to entities from having to meet the separately identifiable requirement when an RFR instrument is designated as a hedge of a risk component

These amendments had no impact on the consolidated financial statements of the Group. The Group intends to use the practical expedients in future periods if they become applicable.

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)

Covid-19-Related Rent Concessions beyond 30 June 2021 Amendments to IFRS 16

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

The amendment was intended to apply until 30 June 2021, but as the impact of the Covid-19 pandemic is continuing, on 31 March 2021, the IASB extended the period of application of the practical expedient to 30 June 2022.The amendment applies to annual reporting periods beginning on or after 1 April 2021. However, the Group has not received Covid-19-related rent concessions, but plans to apply the practical expedient if it becomes applicable within allowed period of application.

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 IAS 8	Definition of Accounting Estimates	1 January 2023
Amendments to IAS 1 and IFRS Practice Statement 2	Disclosure of Accounting Policies	1 January 2023
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 Properties
Investment properties are properties 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 properties. The cost of self-constructed investment properties includes the cost of materials and direct labour, any other cost directly attributable to bringing the investment properties to a working condition for their intended use and capitalized borrowing cost.

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

Transfers are made to (or from) investment properties only when there is a change in use. For a transfer from investment properties 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 investment properties, the Group accounts for such property in accordance with the policy stated under property and equipment up to the date of change in use.

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 asset
The Group recognises right-of-use asset at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use asset 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 asset 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 asset 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 liability
At the commencement date of the lease, the Group recognises lease liability 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 liability 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 properties 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 properties 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 properties, 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

	2021	2020
	QR	QR
Cash on hand	144,652	71,776
Current accounts with islamic banks	18,013,401	39,042,808
Current accounts with a conventional bank	3,606,916	-
Term deposits with Islamic banks	270,000,000	285,000,000
Deposits with financial institutions	7,384,549	13,940,096
	299,149,518	338,054,680
Allowance for expected credit losses	(201,727)	(149,177)
Balances with financial institutions and cash	298,947,790	337,905,503

Bank term deposits carry profit at commercial market rates. The Group has pledged QR 19,229,782 and QR 150,000 of the term deposit to fulfill collateral requirements of Islamic financing and Letter of guarantees, respectively.

Movements in the allowance for expected credit losses are as follows:

	2021	2020
	QR	QR
At 1 January	149,177	163,971
Addition (reversal) of allowance during the year (Note 23)	52,551	(14,794)
Balance at 31 December	201,727	149,177

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

	2021	2020
	QR	QR
Balances with financial institutions and cash prior to the expected credit losses	299,149,518	338,054,680
Term deposits with original maturity of more than 3 months	(50,000,000)	(50,000,000)
Cash and cash equivalents	249,149,518	288,054,680

4. INSTALLMENTS AND DUES FROM CUSTOMERS

			2021	2020
			QR	QR
Gross installments dues from leasing			61,424,658	69,134,833
	2021	2020		
Morabaha	*58,904,413*	*63,354,755*		
Ijarah	*2,520,245*	*5,780,078*		
Less: Deferred profits of future installments			(1,350,943)	(2,225,538)
	2021	2020		
Morabaha	*(1,199,932)*	*(1,606,515)*		
Ijarah	*(151,011)*	*(619,023)*		
Installments dues from leasing			60,073,714	66,909,295
Other trade receivables			449,842	2,021,096
Gross installments and dues from customers			60,523,557	68,930,391
Allowance for expected credit losses for installments dues from leasing and other trade receivables			(48,979,459)	(50,243,741)
Installments and dues from customers			11,544,098	18,686,650
Maturity profile of installments and dues from customers (net of deferred profits)				
Not later than 1 year			10,291,000	14,267,433
Later than 1 year and not later than 5 years			1,253,098	4,326,757
Later than 5 years			-	92,460
			11,544,098	18,686,650

Movement in allowance of expected credit losses	2021	2020
	QR	QR
Balance at 1 January	50,243,741	56,081,032
Provided during the year (Notes 23,8)	813,579	2,103,464
Written-off from dues from customers	-	(1,924,147)
Reversals during the year for Installments Dues from Customers (Notes 23,8)	(2,077,861)	(6,016,608)
Balance at 31 December	48,979,459	50,243,741

5. INVESTMENT SECURITIES

	2021	2020
	QR	QR
Financial assets measured at fair value through profit or loss	191,345,526	213,143,492
Financial assets measured at fair value through OCI	22,400,103	13,188,855
Balance at 31 December	213,745,629	226,332,347

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

6. INVENTORIES

	2021 QR	2020 QR
Spare parts and consumables	4,242,779	4,882,569
Provision for slow moving inventories	(3,842,138)	(4,332,226)
	400,641	550,343

Movement in provision for slow moving inventories

	2021 QR	2020 QR
Balance at 1 January	4,332,226	6,756,066
Addition during the year (Note 8)	-	2,930,823
Reversal during the year	(490,088)	(5,354,663)
Balance at 31 December	3,842,138	4,332,226

7. PREPAYMENTS AND OTHER RECEIVABLES

	2021 QR	2020 QR
Advance payments to suppliers	1,869,792	3,502,614
Prepayments and other receivables	1,465,125	1,497,639
Profits accrued on bank deposits	209,915	1,008,318
Security deposit	216,680	200,580
	3,761,512	6,209,151
Allowance for expected credit losses on other receivables	(270,000)	(270,000)
	3,491,512	5,939,151

8. 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 sale of the vehicles is substantially completed as of 31 December 2021 resulting in a pre-tax gain of QR 786,387.: The movement of the assets held for sale is as follows:

	2021	2020
	QR	QR
Beginning balance	9,700,000	-
Disposed during the year	(8,200,000)	-
Net book value of vehicles transferred from property and equipment	-	21,990,278
Net book value of vehicles transferred from inventory	-	1,740,000
Impairment loss on the remeasurement to fair value less costs to sell	(277,000)	(14,030,278)
Assets held for sale	1,223,000	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:

	2021	2020
	QR	QR
Revenues		18,391,416
Other income (i)	6,434,339	2,915,557
TOTAL REVENUES & INCOME	6,434,339	21,306,973
Direct costs (Note ii)	-	(29,857,672)
General and administrative expenses (Note iii)	(1,390,592)	(10,781,115)
Impairment loss on the remeasurement to fair value less costs to sell	(277,000)	(14,030,278)
TOTAL EXPENSES	(1,667,592)	(54,669,065)
NET OPERATING INCOME (LOSS)	4,766,747	(33,362,092)
Finance income	92,198	374,549
Income (loss) from discontinued operations	4,858,945	(32,987,543)
Basic and diluted income (loss) per share from discontinuing operations	0.010	(0.067)

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

(Note i)
Included in the other income is the reversal of accrual made in prior year amounting to QR 5,520,000 relating to its taxi franchise.

(Note ii)
Summary of direct costs is summarized as below:

	2021	2020
	QR	QR
Cost of taxi operations	-	19,625,816
Depreciation and amortization (Note 9)	-	6,889,192
Provision for slow moving inventories	-	2,930,823
Loss on sale/retirement of property and equipment	-	411,841
	-	29,857,672

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

	2021	2020
	QR	QR
Repairs & maintenance expenses	442,402	200,273
Security expenses	178,232	191,808
Professional and legal fees	111,755	24,537
Loss on sale/retirement of property and equipment	87,162	-
Insurance	66,536	4,709
Bank charges & commissions	45,277	115,456
Staff costs	37,052	2,195,312
Advertising expenses	30,076	7,800
Licensing & listing	14,695	34,030
General meeting, telephone and consumable expenses	12,391	92,067
Travel expenses	32	69,049
Depreciation and amortization (Note 9)	-	730,030
Software & licenses	-	131,845
Penalty related to liquidation of group's guarantees.	-	5,520,000
Provision for expected credit losses (Notes 3,4 and 7)	-	1,459,411
Miscellaneous expenses	364,982	4,788
	1,390,592	10,781,115

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

	2021	2020
	QR	QR
Operating	(4,222,126)	(5,174,802)
Investing	9,141,196	1,192,057
Net cash inflows (outflows)	4,919,070	(3,982,745)

9. PROPERTY AND EQUIPMENT

	Land QR	Building QR	Office equipment QR	Furniture and fixtures QR	Vehicles QR	Work-in-progress QR	Total QR
Cost:							
At 1 January 2020	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
Additions	-	-	48,337	-	1,643,000	31,500	1,722,837
Disposal	-	-	(143,600)	-	-	-	(143,600)
Write-off	-	(2,094,819)	(2,632,262)	(2,759,003)	(1,727,440)	-	(9,213,524)
Transfer to investment properties (Note 11)	-	(29,383,606)	-	-	-	-	(29,383,606)
At 31 December 2021	29,991,000	81,946,692	7,060,189	6,799,587	8,134,128	223,501	134,155,097
Accumulated Depreciation:							
At 1 January 2020	-	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
Charge for the year	-	4,439,638	769,231	148,352	1,468,664	-	6,825,885
Disposal	-	-	(89,457)	-		-	(89,457)
Write-Off	-	(1,529,190)	(2,611,251)	(2,756,415)	(1,663,878)	-	(8,560,734)
Transfer to investment properties (Note 11)	-	(3,891,784)	-	-	-	-	(3,891,784)
At 31 December 2021	-	33,821,711	5,985,687	6,531,514	4,119,327	-	50,458,239
31 December 2021	29,991,000	48,124,981	1,074,502	268,073	4,014,801	223,501	83,696,858
31 December 2020	29,991,000	78,622,070	1,870,550	419,013	3,904,027	192,001	114,998,661

9. PROPERTY AND EQUIPMENT (CONTINUED)

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

	2021	2020
	QR	QR
Depreciation attributable to general and administration (Note 23)	2,116,425	3,815,180
Depreciation attributable to general and administration-discontinued operations (Note 8)	-	730,030
Direct costs forming part of operating expenses (Note 23)	4,709,460	4,270,443
Direct costs forming part of operating expenses – discontinued operations (Note 8)	-	6,889,192
	6,825,885	15,704,845

10. LEASES

a) Group as a lessee

The Group has a 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

	2021	2020
	QR	QR
At 1 January	599,089	655,695
Amortization (Note 23)	(56,607)	(56,606)
	542,482	599,089

Lease liability

	2021	2020
	QR	QR
At 1 January	771,036	827,799
Finance costs for the year	40,116	43,237
Payment during the year	(100,000)	(100,000)
	711,152	771,036

b) Group as a lessor

The Group has entered into operating leases on its investment properties. These leases have remaining terms between 2 -4 years.

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

	2021	2020
	QR	QR
Less than one year	8,304,050	3,521,050
Between one and four years	5,834,500	217,000
	14,138,550	3,738,050

11. INVESTMENT PROPERTIES

a) *Reconciliation of carrying value*

The Group's investment properties consist of warehouses and labor accommodation which are constructed on a land leased from the State of Qatar. These investment properties are leased out to third parties.

	2021	2020
	QR	QR
At 1 January	99,047,641	103,291,058
Fair value of property transferred from Property and equipment (Note 8)	25,594,610	-
Valuation loss	(8,050,607)	(4,243,417)
Balance at 31 December	116,591,644	99,047,641

During the year, the Group transferred its labor accommodation from property and equipment to Investment properties due to the change of use. Included in the amounts transferred from property and equipment is the fair valuation adjustment at the date of transfer amounting to QR 102,788 which was recognised in the other comprehensive income.

b) *Measurement of fair values*

The fair value of the Group's investment properties at 31 December 2021 has been arrived using a discounted cash flow (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)	
			2021	2020
Warehouse	(DCF Method)	Rent growth rate	3.29%	2.94%
		Long term vacancy rate	5%	5%
		Discount rate	8.74%	7.67%
Labor accommodation	(DCF Method)	Rent growth rate	- %	-
		Long term vacancy rate	5%	-
		Discount rate	8.74%	-

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.

11. INVESTMENT PROPERTIES (CONTINUED)

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:

	2021		2020	
	Movement in fair value		Movement in fair value	
	QR	QR	QR	QR
Discount rate	0.5% increase	0.5% decrease	0.5% increase	0.5% decrease
Investment properties	(8,731,192)	10,400,101	(10,253,873)	12,703,080

The following amounts in relation to the investment properties have been recognised in consolidated statement of profit or loss:

	2021	2020
	QR	QR
Rental income (Note 20)	9,932,332	5,016,641
Direct operating expenses that generate rental income	2,828,419	900,000
Direct operating expenses that did not generate rental income	483,930	237,696

12. INTANGIBLE ASSETS

	Driving school license	Software	Total
	QR	QR	QR
Cost:			
At 1 January 2021	8,000,000	5,460,185	13,460,185
Addition	-	-	-
At 31 December 2021	8,000,000	5,460,185	13,460,185
At 1 January 2020	8,000,000	5,460,185	13,460,185
Additions	-	-	-
At 31 December 2020	8,000,000	5,460,185	13,460,185
Amortization:			
At 1 January 2021	-	5,012,305	5,012,305
Charge for the year	-	189,000	189,000
At 31 December 2021	-	5,201,305	5,201,305
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
Net carrying amounts:			
31 December 2021	8,000,000	258,880	8,258,880
31 December 2020	8,000,000	447,880	8,447,880

	2021	2020
	QR	QR
Amortization attributable to general and administration expenses (Note 23)	189,000	189,000
	189,000	189,000

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 2021 and 31 December 2020. The recoverable amount of the driving academy as at 31 December 2021 and 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 forecast and the terminal value. The projected cash flows have been updated to reflect the decreased demand impacted by COVID-19. 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.

As per this analysis, the recoverable amount is higher than the carrying amount of the license. Management has not recognised any impairment to its driving school license.

13. ACCOUNTS PAYABLE, ACCRUALS AND OTHER PAYABLES

	2021	2020
	QR	QR
Accounts payable and advances from customers	19,726,444	38,238,352
Unclaimed dividends	7,054,610	7,054,610
Provision for employees' end of service benefits (a)	4,858,917	4,544,509
Provision for social contribution (b)	-	321,398
Accrued expenses	5,498,853	13,907,734
	37,138,824	64,066,603

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

	2021	2020
	QR	QR
At 1 January	4,544,509	4,207,943
Charge for the year	697,946	848,602
Payments during the year	(383,538)	(512,036)
	4,858,917	4,544,509

(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 QR 321,398 for the year 2020 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. During the year, no appropriation was made as the Group incurred net loss.

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 previous 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 29.

	2021	2020
	QR	QR
At 1 January	41,889,836	50,890,341
Paid	(22,660,054)	(9,000,505)
	19,229,782	41,889,836

15. CONTRACT LIABILITIES

	2021 QR	2020 QR
Contract Liability from property development (Note (i))	3,788,523	11,413,173
Contracts Liability related to driving academy	7,637,060	4,734,418
Contract Liability from property rental	66,240	95,852
	11,491,823	16,243,443

(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

	2021 QR	2020 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 (as amended by Law No. 8 of 2021) and the Company's Articles of Association, 10% of the profit for the year should be transferred to statutory legal reserve until the reserve equals 50% of the Company's capital. 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. FAIR VALUE RESERVE

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

	2021 QR	2020 QR
At 1 January	(1,823,931)	-
Net change in fair value of equity measured at FVTOCI	(2,205,889)	(1,823,931)
Transfer from fair value reserve to accumulated losses upon derecognition	(13,250)	-
At 31 December	(4,043,070)	(1,823,931)

19. DIVIDENDS

At the Annual General Assembly meeting held on 16 February 2021, the shareholders approved a cash dividend distribution equivalent to 2.5% of the paid-up capital amounting to QR 12,370,050 for the year ended 31 December 2020 (for the year ended 31 December 2019: cash dividend distribution equivalent to 5% of the paid-up capital amounting to QR 24,740,100).

20. REVENUES FROM CORE BUSINESS

	2021 QR	2020 QR
Revenue from contracts with customers *(Note 20.1)*	18,502,636	53,643,416
Revenue from leasing operations *(Note 20.2) (Note i)*	828,145	862,646
Revenue from operating lease	9,932,332	5,016,641
	29,263,113	59,522,703

20.1 Revenue from contracts with customers

	2021 QR	2020 QR
Revenue from real estate property development	7,624,650	47,228,525
Revenue from driving academy operations	10,286,317	6,414,891
Revenue from workshop operations	591,669	-
	18,502,636	53,643,416

	2021 QR	2020 QR
Timing of revenue recognition		
Products and services transferred over time	17,910,967	53,643,416
Products and services transferred at a point in time	591,669	-
	18,502,636	53,643,416

All revenue sources are earned inside the State of Qatar.

20.2 Revenue from leasing operations

	2021 QR	2020 QR
- Morabaha	356,724	715,585
- Ijarah	471,421	147,061
	828,145	862,646

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.

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

	2021 QR	2020 QR
Within one year	11,491,823	16,243,443

21. INCOME FROM INVESTMENTS

	2021 QR	2020 QR
(Loss) gain on fair value of investment securities at fair value through profit or loss	(7,016,135)	50,746,188
Dividend income	8,395,252	8,889,356
Other income from financial assets	24,405	360,124
	1,403,522	59,995,668

22. OPERATING EXPENSES

	2021 QR	2020 QR
Property development cost	6,498,650	42,324,570
Depreciation (Note 9)	4,709,460	4,270,443
Cost of driving academy operations	4,587,303	2,438,936
Property expenses arising from investment properties that generate rental income.	2,828,419	1,641,294
Cost of workshop operations	1,335,256	-
Property expenses arising from investment properties that did not generate rental income.	483,930	237,696
	20,443,018	50,912,939

23. GENERAL AND ADMINISTRATION EXPENSES

	2021 QR	2020 QR
Staff costs	14,633,041	14,970,675
Depreciation and amortization (Notes 9, 10, 12)	2,362,032	4,060,786
Professional and legal fees	2,661,046	2,087,774
Software & licenses	1,440,537	1,279,604
Repairs & maintenance expenses	1,615,616	1,275,769
General meeting, telephone and consumable expenses	1,134,083	536,117
Licensing & listing	637,847	541,274
Loss on Sale/Retirement of Property and Equipment	609,774	-
Insurance	301,771	382,527
Security expenses	480,452	666,762
Business promotion	426,000	933,887
Advertising expenses	290,500	320,882
Bank charges & commissions	218,835	133,350
Postage printing and stationery	69,782	73,974
Short-term rent expenses	7,387	76,039
Donation and charity	4,000	252,540
Net reversal of provision for expected credit losses (Notes 3,4,7)	(1,211,732)	(5,387,349)
Miscellaneous expenses	42,149	99,434
	25,723,120	22,304,045

23.(a) EXPENSES BY NATURE

	2021 QR	2020 QR
Operating expenses	20,443,018	50,912,939
General and administrative expenses	25,723,120	22,304,045
	46,166,138	73,216,984

	2021 QR	2020 QR
Staff costs	18,723,033	17,094,254
Depreciation & amortization (Notes 8,9 and 11)	7,071,492	8,331,229
Cost of infrastructure	6,281,965	42,259,670
General meeting, telephone and consumable expenses	2,931,193	1,908,516
Professional and legal fees	2,661,046	2,087,774
Repairs & maintenance expenses	2,428,625	1,275,769
Software & licenses	1,440,537	1,279,604
Vehicle repairs & maintenance	948,373	25,649
Fuel	821,019	92,137
Insurance expenses	742,246	722,170
Licensing & listing	637,847	541,274
Loss on sale/retirement of property and equipment	609,774	-
Other operating expenses	485,556	272,535
Security expenses	480,452	666,762
Bank charges & commissions	445,635	198,251
Business promotion	426,000	933,887
Advertising expenses	290,500	320,882
Vehicle licenses	165,109	82,513
Postage printing and stationery	69,782	73,974
Rent & accommodation expenses	51,497	85,509
Donation and charity	4,000	252,540
Reversal of provision for slow moving inventories	(379,960)	-
Net reversal of provision for expected credit losses (Notes 3,4 and 7)	(1,211,732)	(5,387,349)
Miscellaneous expenses	42,149	99,434
	46,166,138	73,216,984

24. INCOME TAX

The major components of income tax expense for the years ended 31 December 2021 and 2020 are:

	2021	2020
Current income tax charge	22,276	50,000
Adjustments in respect of current income tax of previous year	23,028	247,038
Income tax expense reported in the consolidated statement of profit or loss	45,304	297,038

25. BASIC AND DILUTED (LOSS) EARNINGS PER SHARE

	2021	2020
(Loss) profit for the year (QR)	(14,892,243)	12,855,938
Weighted average number of shares	494,802,000	494,802,000
Basic and Diluted (loss) earnings per share (QR)	(0.030)	0.026

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

	2021	2020
(Loss) profit for the year from continuing operations (QR)	(19,751,188)	45,843,481
Weighted average number of shares	494,802,000	494,802,000
Basic and Diluted (loss) earnings per share (QR)	(0.040)	0.093

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

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

	2021	2020
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

26. 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

	2021	2020
	QR	QR
Key management personnel remuneration	3,826,683	3,843,131

27. SEGMENT REPORTING

Based on the nature of core activities of the business, the Group is segmented into four major operating segments. In 2020, the Group discontinued Taxi Services (including Limousine). 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

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

27. SEGMENT REPORTING (CONTINUED)

The following table presents segment revenues and profits of the Group's operating segments as at 31 December 2021 and 31 December 2020:

2021	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	853,057	654,146	17,619,085	10,345,867	1,416,323	-	-	30,888,478
Internal parties	-	434,707	1,783,950	-	-	-	(2,218,657)	-
Total revenues and gains	853,057	1,088,853	19,403,035	10,345,867	1,416,323		(2,218,657)	30,888,478
Profit from discontinued operations	-	-	-	-	-	4,858,945	-	4,858,945
Profit (loss) for the year	930,414	(2,324,394)	(5,558,817)	(3,687,833)	(9,110,558)	4,858,945	-	(14,892,243)
Finance income	23,550	6,822	224,759	18,950	4,166,048	-	-	4,440,129
Finance cost	-	-	(817,746)	-	-	-	-	(817,746)
Depreciation and amortization	1,474	382,508	4,806,758	1,706,449	174,303	-	-	7,071,492

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

27. SEGMENT REPORTING (CONTINUED)

The following table presents segment assets and liabilities of the Group's operating segments as at 31 December 2021 and 31 December 2020:

As of 31 December 2021	Financial leasing	Transportation	Property development	Driving school	Taxi services	Holding	Elimination	Total
	QR	QR	QR	QR	QR	QR	QR	QR
Current asset	316,261,392	16,837,111	141,793,753	5,349,860	2,693,880	526,180,790	(503,633,995)	505,482,791
Non-current assets	1,259,614	338,149	196,231,823	12,294,549	6,300	22,829,308	-	232,959,743
Total assets	317,521,006	17,175,260	338,025,576	17,644,409	2,700,180	549,010,098	(503,633,995)	738,442,534
Current liabilities	(8,742,697)	(210,746)	(8,677,572)	(27,390,767)	(284,017,156)	(168,932,070)	457,433,995	(40,537,013)
Non-current liabilities	(62,358)	(102,937)	(23,188,810)	(452,455)	-	(4,228,008)	-	(28,034,568)
Total liabilities	(8,805,055)	(313,683)	(31,866,382)	(27,843,222)	(284,017,156)	(173,160,078)	457,433,995	(68,571,581)

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)

28. CONTINGENT LIABILITIES & COMMITMENTS

	2021	2020
	QR	QR
Letter of guarantees from Islamic banks	150,000	11,670,000
Capital commitments	2,878,120	8,666,183

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

2021	Non-current	Current	Total
	QR	QR	QR
ASSETS			
Balances with financial institutions and cash	-	298,947,790	298,947,790
Installments and dues from customers	1,253,096	10,291,002	11,544,098
Investment securities	22,400,103	191,345,526	213,745,629
Inventories	-	400,641	400,641
Prepayments and other receivables	216,680	3,274,832	3,491,512
Property and equipment	83,696,858	-	83,696,858
Investment properties	116,591,644	-	116,591,644
Intangible assets	8,258,880	-	8,258,880
Right-of-use asset	542,482	-	542,482
Assets held for sale	-	1,223,000	1,223,000
Total assets	232,959,743	505,482,791	738,442,534
LIABILITIES			
Accounts payable, accruals and other payables	10,065,993	27,072,831	37,138,824
Islamic financing under wakalah arrangements	17,325,794	1,903,988	19,229,782
Contract liabilities	-	11,491,823	11,491,823
Lease liability	642,781	68,371	711,152
Total liabilities	28,034,568	40,537,013	68,571,581

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 properties	99,047,641	-	99,047,641
Intangible assets	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 payable, 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

30. 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:

	2021	2020
	QR	QR
Balances with financial institutions	299,004,866	337,982,904
Installments and dues from customers	11,544,098	18,686,650
Security deposit	216,680	200,580
	310,765,644	356,870,134

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.

30. 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 customer 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.

Expected credit loss
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 2021			
	Gross carrying amount	Expected credit losses	Net carrying amount	
	QR	QR	QR	Loss rate
Current – 30 days past due	2,219,845	(216,393)	2,003,452	9.75%
31 – 60 days past due	152,594	(202)	152,392	0.13%
61 – 90 days past due	208,743	(28,386)	180,357	13.60%
91 – 180 days past due	292,968	(77,094)	215,874	26.31%
181 – 360 days past due	192,212	(51,413)	140,799	26.75%
More than 360 days past due	57,457,195	(48,605,971)	8,851,224	84.60%
Total	60,523,557	(48,979,459)	11,544,098	80.93%

30. 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	2021	2020
		QR	QR
Qatar Exchange	+/-10%	21,374,563	22,633,235

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 2021	Less than 1 year	1-5 years	Total
	QR	QR	QR
Accounts payable and accruals	27,072,831	10,065,993	37,138,824
Islamic financing under wakalah arrangements	20,249,472	-	20,249,472
Lease liability	136,822	966,543	1,103,365
	47,459,125	11,032,536	58,491,661

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

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.

30. 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 2021 and 31 December 2020. Capital comprises share capital and accumulated losses of QR 494.8 Million and QR 171 Million, respectively (2020: QR 494.8 Million and QR 156 Million, respectively).

31. 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 fair value through profit or loss and Fair value through OCI 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.

32. FINANCIAL INSTRUMENTS BY CATEGORY

Financial assets at amortised cost

	2021	2020
	QR	QR
Installments and due from customers	11,544,098	18,686,650
Balances with financial institutions	299,004,866	337,982,904
Security deposit	216,680	200,580
	310,765,644	356,870,134

Other financial liabilities at amortized cost

	2021	2020
	QR	QR
Trade and other payables	19,726,444	38,238,352
Islamic financing under wakalah arrangements	19,229,782	41,889,836
Unclaimed dividend	7,054,610	7,054,610
	46,010,836	87,182,798

Financial Assets

	2021	2020
	QR	QR
Investment securities at fair value through profit or loss (FVTPL)	191,345,526	213,143,492
Investment securities at fair value through other comprehensive income (FVTOCI)	22,400,103	13,188,855
	213,745,629	226,332,347

33. 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 2021 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 24 March 2021 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 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 2021, 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.