MAZAYA REAL ESTATE DEVELOPMENT Q.P.S.C.
DOHA - QATAR

CONSOLIDATED FINANCIAL STATEMENTS
AND INDEPENDENT AUDITOR'S REPORT
FOR THE YEAR ENDED
31 DECEMBER 2020

MAZAYA REAL ESTATE DEVELOPMENT Q.P.S.C.

CONSOLIDATED FINANCIAL STATEMENTS AND INDEPENDENT AUDITOR'S REPORT

For the year ended 31 December 2020

INDEX **Pages**

Independent auditor's report	--
Consolidated statement of financial position	1
Consolidated statement of profit or loss and other comprehensive income	2
Consolidated statement of changes in equity	3
Consolidated statement of cash flows	4
Notes to the consolidated financial statements	5 – 55

Deloitte and Touche - Qatar
Al Ahli Bank Building
Sheikh Suhaim Bin Hamad Street
Doha, P.O. Box 431
The State of Qatar

Tel: +974 443-41112
Fax:+974 4442 2131
www.deloitte.com

QR. 99 – 8

RN: 1722/SA/FY2020

INDEPENDENT AUDITOR'S REPORT

To The Shareholders of
Mazaya Real Estate Development Q.P.S.C.
Doha, Qatar

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Mazaya Real Estate Development Q.P.S.C. (the "Company") and its subsidiaries (together referred to as the "Group"), which comprise the consolidated statement of financial position as at 31 December 2020, the consolidated statement of profit or loss and 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, except for the effects of the matter described in the Basis for Qualified Opinion section, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at 31 December 2020, and its consolidated financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards ('IFRSs').

Basis for Qualified Opinion

Investment properties includes a plot of land with a carrying amount of QR. 230,370,000. Management has not stated this land at its fair value as at 31 December 2020, as required by IFRSs, due to the changes in the municipality plan for the plot mandated by the local authorities during the year. Consequently, we were unable to determine the adjustments necessary to this amount.

Investment properties includes a residential compound with a carrying amount of QR 332,500,000. We were unable to obtain sufficient appropriate audit evidence about the carrying amount of the residential compound as we could not verify a key judgement applied in the determination of its fair value. Consequently, we were unable to determine the adjustments necessary to this amount.

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

Basis for Qualified Opinion (continued)

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 Financial Statements section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the other ethical requirements that are relevant to our audit of the Group's consolidated financial statements in the State of Qatar**,** and we have fulfilled our other ethical responsibilities. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

Key Audit Matter

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

Key audit matter	**How our audit addressed the key audit matter**
Valuation of investment properties The Group's investment properties represent a significant portion of the total assets of the Group at the reporting date. The Group's investment properties are carried at QR. 900,098,548, which are measured under the fair value model, with changes in fair value presented in the consolidated statement of profit or loss. Valuations of investment properties are carried out by third party valuers in accordance with IFRS 13 Fair Value Measurement and take into account, where available, discounted cash flows and evidence of market transactions for properties and locations comparable to those of the Group's properties. The Group's portfolio comprises retail, offices and residential property. Significant judgements were applied and estimates made in determining the fair value of the Group's investment properties including the impact of Covid 19 pandemic on the fair value of the investment properties and hence, this is considered to be a key audit matter. In addition, there are wider challenges currently facing the Qatar real estate market arising from the COVID-19 pandemic. Due to the estimation uncertainty related to the impact of COVID-19 and guidance from the Royal Institute of Chartered Surveyors ("RICS"), the Valuer included a 'material valuation uncertainty' statement in their valuation reports highlighting the impact COVID-19 is having on real estate markets.	We obtained an understanding of the Group's investment properties and the relevant controls over inputs and assumptions used by the Group in the valuation of the investment properties. In addition, our work performed included the below procedures, amongst others on the Group's valuations: • We evaluated the design and implementation of controls over the estimation of the fair value of the investment properties; • We assessed the competence and capabilities of the Valuers and assessed their terms of engagement with the Group to determine if the scope of their work was sufficient for audit purposes; • We utilized our internal specialists to understand and assess, for selected properties, whether the valuation approach and methods used are in accordance with the established standards regulating valuation of properties and whether these methods are suitable for use in determining the fair value of these properties, review the appropriateness of estimates used in the valuation; • We tested, on a sample basis, the accuracy of the data provided by the Group to the Valuers; We reperformed the mathematical accuracy of the valuations on a sample basis; and

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

Key Audit Matter (continued)

Key audit matter	How our audit addressed the key audit matter
Refer to the following notes to the consolidated financial statements: • Note 2 – Significant accounting policies on investment properties; • Note 4 – Critical accounting judgement and key sources of estimation uncertainty of valuation of investment properties; and • Note 6 – Investment properties.	• We agreed the results of the valuation performed by the Valuers to the amount reported in the consolidated financial statements. • We considered the impact of the 'material valuation uncertainty' statement in the expert's valuation reports referred to in the adjacent paragraph and assessed the additional disclosures made as a result of this matter in note 6. We have also assessed if the related disclosures in the consolidated financial statements relating to this matter were in accordance with the requirements of IFRSs.

Other Information

The Board of Directors is responsible for the other information. The other information comprises the Board of Directors' Report and the Annual Report, which are expected to be made available to us after the date of this auditor's report. The other information does not include the consolidated financial statements and our auditor's report thereon.

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 consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the Board of Directors Report and the Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRSs and applicable provisions of Qatar Commercial Companies Law, 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, 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 Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

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

As part of an audit in accordance with ISA's, 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 risk, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than the one resulting from error, as fraud may involve collusion, forgery, intentional omission, 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 internal controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the 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 those charged with governance 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 those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements (continued)

From the matters communicated with those charged with governance, 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 preclude 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

Further, as required by the Qatar Commercial Companies Law, we report the following:

- The Group has maintained proper books of account and the consolidated financial statements are in agreement therewith, and the contents of the director's report are in agreement with the Group's financial statements;
- We obtained all the information and explanations which we considered necessary for our audit; and
- To the best of our knowledge and belief according to the information given to us, no contraventions of the applicable provisions of Qatar Commercial Companies Law and the Company's Articles of Association were committed during the year which would materially affect the Group's financial position or financial performance.

Doha – Qatar
28 March 2021

For **Deloitte & Touche**
Qatar Branch

Midhat Salha
Partner
License No. 257
QFMA Auditor License No. 120156

Mazaya Real Estate Development Q.P.S.C.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2020

	Notes	2020 QR	2019 QR
ASSETS			
Non-current assets			
Property and equipment	5	**522,394**	109,505
Investment properties	6	**900,098,548**	744,194,358
Project in progress	7	**65,996,712**	65,414,594
Right-of-use of assets	8	**3,927,020**	6,283,231
Investment securities	9	**18,705,561**	19,638,516
Wakala investments	10	**29,177,197**	30,677,197
Finance lease receivable	11	**1,134,532,248**	1,164,709,484
		2,152,959,680	2,031,026,885
Current assets			
Finance lease receivable	11	**30,177,236**	28,362,593
Receivables and prepayments	12	**9,506,526**	2,566,285
Islamic bank balances and cash	13	**79,368,669**	72,709,532
		119,052,431	103,638,410
TOTAL ASSETS		**2,272,012,111**	2,134,665,295
EQUITY AND LIABILITIES			
Equity			
Share capital	14	**1,157,625,000**	1,157,625,000
Treasury shares	14	**(8,983,416)**	--
Legal reserve	15	**58,005,878**	54,902,696
Retained earnings		**42,836,137**	11,648,682
Total equity		**1,249,483,599**	1,224,176,378
Non-current liabilities			
Islamic finance facilities	16	**690,083,735**	617,043,303
Lease liabilities	17	**2,033,430**	4,933,351
Employees' end of service benefits	18	**2,915,962**	2,394,239
		695,033,127	624,370,893
Current liabilities			
Islamic finance facilities	16	**66,108,368**	176,813,148
Lease liabilities	17	**2,914,008**	2,772,500
Income tax payable		**379,248**	407,487
Payables and other liabilities	19	**258,093,761**	106,124,889
		327,495,385	286,118,024
Total liabilities		**1,022,528,512**	910,488,917
TOTAL EQUITY AND LIABILITIES		**2,272,012,111**	2,134,665,295

Sheikh Hamad Bin Mohamad Al Thani
Vice Chairman of Board of Directors

Mr. Ibrahim Jaham Al Kuwari
Board Member

DELOITTE & TOUCHE
Doha, Qatar
28 MAR 2021
Signed for Identification Purposes Only

This statement has been prepared by the Group and stamped by the Auditors for identification purposes only.

The attached notes from 1 to 34 form an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2020

	Notes	**2020**	2019
		QR	QR
Finance income	11	**72,337,407**	74,042,931
Rental income		**27,549,814**	26,012,500
Revenue from property management		**--**	206,013
Operating expenses	20	**(9,650,416)**	(7,705,249)
Income from operations		**90,236,805**	92,556,195
Net fair value gain on investment properties	6	**3,654,190**	9,214,459
Fair value loss on investment securities	9	**(932,955)**	--
Provision for impairment on wakala investments	10	**(1,500,000)**	--
Gain on sale of property and equipment		**236,000**	--
Other income	22	**516,464**	330,442
General and administrative expenses	23	**(23,385,863)**	(18,307,933)
Amortization of rights-of-use	8	**(2,356,211)**	(2,356,212)
Depreciation	5	**(177,464)**	(162,012)
Finance costs	21	**(34,879,900)**	(48,772,056)
Profit for the year		**31,411,066**	32,502,883
Income tax	24	**(379,248)**	(407,487)
Net profit		**31,031,818**	32,095,396
Other comprehensive income		**--**	--
Total comprehensive income for the year		**31,031,818**	32,095,396
Basic and diluted earnings per share *(attributable to shareholders of the parent expressed in QR per share)*	25	**0.03**	0.03

This statement has been prepared by the Group and stamped by the Auditors for identification purposes only.

DELOITTE & TOUCHE
Doha-Qatar
28 MAR 2021
Signed for Identification Purposes Only

The attached notes from 1 to 34 form an integral part of these consolidated financial statements.

Mazaya Real Estate Development Q.P.S.C.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2020

	Share Capital	Treasury shares	Legal reserve	Retained earnings	Total
	QR	QR	QR	QR	QR
Balance at 1 January 2019	1,157,625,000	--	51,652,408	41,497,396	1,250,774,804
Profit for the year	--	--	--	32,095,396	32,095,396
Transfer to legal reserve (Note 15)	--	--	3,250,288	(3,250,288)	--
Social and sports activities fund contribution (Note 26)	--	--	--	(812,572)	(812,572)
Dividends declared	--	--	--	(57,881,250)	(57,881,250)
Balance at 31 December 2019	1,157,625,000	--	54,902,696	11,648,682	1,224,176,378
Profit for the year	--	--	--	31,031,818	31,031,818
Transfer to legal reserve (Note 15)	--	--	3,103,182	(3,103,182)	--
Treasury shares repurchased (Note 14)	--	(8,983,416)	--	--	(8,983,416)
Reversal of previous year's social and sports fund contribution (Note 26)	--	--	--	4,034,614	4,034,614
Social and sports activities fund contribution (Note 26)	--	--	--	(775,795)	(775,795)
Balance at 31 December 2020	**1,157,625,000**	**(8,983,416)**	**58,005,878**	**42,836,137**	**1,249,483,599**

The attached notes from 1 to 34 form an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 December 2020

	Notes	2020 QR	2019 QR
OPERATING ACTIVITIES			
Profit for the year		**31,411,066**	32,502,883
Adjustments for:			
Depreciation		**177,464**	162,012
Amortization of right of use of assets		**2,356,211**	2,356,212
Net fair value gain on investment properties		**(3,654,190)**	(9,214,459)
Fair value loss on unquoted equity investment		**932,955**	--
Provision for impairment on wakala investments		**1,500,000**	--
Provision for employees' end of service benefits		**442,213**	511,167
Profit from deposits with Islamic banks		**244,419**	(330,442)
Finance income		**(72,337,407)**	(74,042,931)
Finance costs		**34,879,900**	48,772,056
Operating (loss) / profit before working capital changes		**(4,047,369)**	716,498
Working capital changes:			
Receivables and prepayments		**(6,940,241)**	1,460,090
Payables and other liabilities		**3,580,450**	61,100,300
Collection of lease receivables		**100,700,000**	75,525,000
Cash flows from operations		**93,292,840**	138,801,888
Finance costs paid		**(28,375,891)**	(27,622,876)
Employees' end of service benefits paid		**(11,799)**	--
Net cash flows generated from operating activities		**64,905,150**	111,179,012
INVESTING ACTIVITIES			
Short term deposits made		**59,500,000**	(59,500,000)
Purchase of property and equipment		**(590,353)**	(25,304)
Additions to project in progress		**(582,118)**	(299,550)
Profit received from deposits with Islamic banks		**(244,419)**	330,442
Net cash flows generated from / (used in) investing activities		**58,083,110**	(59,494,412)
FINANCING ACTIVITIES			
Payment of principal of lease liabilities		**(2,758,413)**	(2,273,575)
Payment of interest portion of lease liabilities		**(354,976)**	(492,125)
Payment of Islamic finance facilities		**(43,813,381)**	(8,808,360)
Purchase of treasury shares		**(8,983,416)**	--
Dividends paid		**(918,937)**	(52,707,732)
Net cash flows used in financing activities		**(56,829,123)**	(64,281,792)
INCREASE / (DECREASE) IN ISLAMIC BANK BALANCES AND CASH		**66,159,137**	(12,597,192)
Islamic bank balances and cash at 1 January		**13,209,532**	25,806,724
ISLAMIC BANK BALANCES AND CASH AT 31 DECEMBER	13	**79,368,669**	13,209,532

The attached notes from 1 to 34 form an integral part of these consolidated financial statements.

1. CORPORATE INFORMATION AND PRINCIPAL ACTIVITIES

Mazaya Real Estate Development Q.P.S.C. (the "Company") is a Qatari Public Shareholding Company incorporated in the State of Qatar on 12 February 2008. The Company is registered under commercial registration number 38173. The Company's registered office address is P.O. Box 18132, Doha, State of Qatar.

These consolidated financial statements of the Company and its subsidiaries (together referred to as "the Group") as at and for the year ended 31 December 2020, include the following subsidiaries:

Name of the Company	Share capital	Country of incorporation	Effective percentage of ownership as at 31 December	
	QR		**2020**	2019
Qortuba Real Estate Investment Company W.L.L.	200,000	Qatar	100%	100%
Gulf Spring Real Estate Investment and Development Company W.L.L.	200,000	Qatar	100%	100%
Granada Real Estate Investment Company W.L.L.	200,000	Qatar	100%	100%
Mazaya Lebanon for Tourism Development and Real Estate S.A.R.L.	12,000	Lebanon	100%	100%

The Group's principal activity is the establishment of residential compounds and projects for rental purposes, investment and real estate development, purchase of land and its development for resale, construction, project feasibility study, project management, real estate marketing and property management, maintenance activities, brokerage activities, investment in properties. In addition, the Group is also involved in the management of residential compounds.

The consolidated financial statements of the Group for the year ended 31 December 2020 were authorised for issue by the Board of Directors on 24 March 2021.

1.1 Current liability position

The Group's current liabilities exceeded its current assets by QR. 208,442,954 as at 31 December 2020. The accompanying consolidated financial statements have been prepared on a going concern basis since management has outstanding facility arrangement with one of the local banks not yet utilised.

2. APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRSs)

2.1 New and amended IFRS Standards that are effective for the current year

Impact of the initial application of Interest Rate Benchmark Reform amendments to IFRS 9 and IFRS 7.

In September 2019, the IASB issued Interest Rate Benchmark Reform (Amendments to IFRS 9, IAS 39 and IFRS 7).These amendments modify specific hedge accounting requirements to allow hedge accounting to continue for affected hedges during the period of uncertainty before the hedged items or hedging instruments affected by the current interest rate benchmarks are amended as a result of the on-going interest rate benchmark reforms. The amendments are relevant to the Group given that it applies hedge accounting to its benchmark interest rate exposures.

The application of the amendments does not have any material impact the Group's accounting.

The amendments also introduce new disclosure requirements to IFRS 7 for hedging relationships that are subject to the exceptions introduced by the amendments to IFRS 9.

2. APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRSs) (CONTINUED)

2.1 New and amended IFRS Standards that are effective for the current year (continued)

Impact of the initial application of Covid-19-Related Rent Concessions Amendment to IFRS 16

In May 2020, the IASB issued Covid-19-Related Rent Concessions (Amendment to IFRS 16) that provides practical relief to lessees in accounting for rent concessions occurring as a direct consequence of COVID-19, by introducing a practical expedient to IFRS 16. The practical expedient permits a lessee to elect not to assess whether a COVID- 19-related rent concession is a lease modification. A lessee that makes this election shall account for any change in lease payments resulting from the COVID-19-related rent concession the same way it would account for the change applying IFRS 16 if the change were not a lease modification.

The practical expedient applies only to rent concessions occurring as a direct consequence of COVID-19 and only if all of the following conditions are met:

a) The change in lease payments results in revised consideration for the lease that is substantially the same as, or less than, the consideration for the lease immediately preceding the change;
b) Any reduction in lease payments affects only payments originally due on or before 30 June 2021 (a rent concession meets this condition if it results in reduced lease payments on or before 30 June 2021 and increased lease payments that extend beyond 30 June 2021); and
c) There is no substantive change to other terms and conditions of the lease.

In the current financial year, the Group has applied the amendment to IFRS 16 (as issued by the IASB in May 2020) in advance of its effective date.

2. APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRSs) (CONTINUED)

2.2 Impact of initial application of other new and amended standards on the financial statements

The following new and revised IFRSs, which became effective for annual periods beginning on or after January 1, 2020, have been adopted in these consolidated financial statements.

New and revised IFRSs	Effective for annual periods beginning on or after
Amendments to References to the Conceptual Framework in IFRS Standards	January 1, 2020

The Group has adopted the amendments included in Amendments to References to the Conceptual Framework in IFRS Standards for the first time in the current year. The amendments include consequential amendments to affected Standards so that they refer to the new Framework. Not all amendments, however, update those pronouncements with regard to references to and quotes from the Framework so that they refer to the revised Conceptual Framework. Some pronouncements are only updated to indicate which version of the Framework they are referencing to (the IASC Framework adopted by the IASB in 2001, the IASB Framework of 2010, or the new revised Framework of 2018) or to indicate that definitions in the Standard have not been updated with the new definitions developed in the revised Conceptual Framework.
The Standards which are amended are IFRS 2, IFRS 3, IFRS 6, IFRS 14, IAS 1, IAS 8, IAS 34, IAS 37, IAS 38, IFRIC 12, IFRIC 19, IFRIC 20, IFRIC 22, and SIC-32.

Amendments to IFRS 3 Definition of a business	January 1, 2020

The Group has adopted the amendments to IFRS 3 for the first time in the current year. The amendments clarify that while businesses usually have outputs, outputs are not required for an integrated set of activities and assets to qualify as a business. To be considered a business an acquired set of activities and assets must include, at a minimum, an input and a substantive process that together significantly contribute to the ability to create outputs.

The amendments remove the assessment of whether market participants are capable of replacing any missing inputs or processes and continuing to produce outputs. The amendments also introduce additional guidance that helps to determine whether a substantive process has been acquired.

2. APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRSs) (CONTINUED)

2.2 Impact of initial application of other new and amended standards on the financial statements (continued)

New and revised IFRSs	Effective for annual periods beginning on or after
Amendments to IFRS 3 Definition of a business(continued)	January 1, 2020
The amendments introduce an optional concentration test that permits a simplified assessment of whether an acquired set of activities and assets is not a business. Under the optional concentration test, the acquired set of activities and assets is not a business if substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or group of similar assets. The amendments are applied prospectively to all business combinations and asset acquisitions for which the acquisition date is on or after 1 January 2020.	
Amendments to IAS 1 and IAS 8 Definition of material	January 1, 2020
The Group has adopted the amendments to IAS 1 and IAS 8 for the first time in the current year. The amendments make the definition of material in IAS 1 easier to understand and are not intended to alter the underlying concept of materiality in IFRS Standards. The concept of 'obscuring' material information with immaterial information has been included as part of the new definition. The threshold for materiality influencing users has been changed from could influence to could reasonably be expected to influence. The definition of material in IAS 8 has been replaced by a reference to the definition of material in IAS 1. In addition, the IASB amended other Standards and the Conceptual Framework that contain a definition of 'material' or refer to the term 'material' to ensure consistency.	

The application of these revised IFRSs has not had any material impact on the amounts reported for the current and prior years but may affect the accounting for future transactions or arrangements.

2. APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRSs) (CONTINUED)

2.3 New and amended IFRSs in issue but not yet effective and not early adopted

The Group has not applied the following new and revised IFRSs that have been issued but are not yet effective.

New and revised IFRSs	Effective for annual periods beginning on or after
IFRS 17 Insurance Contracts IFRS 17 establishes the principles for the recognition, measurement, presentation and disclosure of insurance contracts and supersedes IFRS 4 Insurance Contracts. IFRS 17 outlines a general model, which is modified for insurance contracts with direct participation features, described as the variable fee approach. The general model is simplified if certain criteria are met by measuring the liability for remaining coverage using the premium allocation approach. The general model uses current assumptions to estimate the amount, timing and uncertainty of future cash flows and it explicitly measures the cost of that uncertainty. It takes into account market interest rates and the impact of policyholders' options and guarantees. In June 2020, the IASB issued Amendments to IFRS 17 to address concerns and implementation challenges that were identified after IFRS 17 was published. The amendments defer the date of initial application of IFRS 17 (incorporating the amendments) to annual reporting periods beginning on or after 1 January 2023. At the same time, the IASB issued Extension of the Temporary Exemption from Applying IFRS 9 (Amendments to IFRS 4) that extends the fixed expiry date of the temporary exemption from applying IFRS 9 in IFRS 4 to annual reporting periods beginning on or after 1 January 2023. IFRS 17 must be applied retrospectively unless impracticable, in which case the modified retrospective approach or the fair value approach is applied. For the purpose of the transition requirements, the date of initial application is the start if the annual reporting period in which the entity first applies the Standard, and the transition date is the beginning of the period immediately preceding the date of initial application.	January 1, 2023

2. APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRSs) (CONTINUED)

2.3 New and amended IFRSs in issue but not yet effective and not early adopted (continued)

New and revised IFRSs	Effective for annual periods beginning on or after
Amendments to IFRS 10 and IAS 28 – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Available for optional adoption/ effective date deferred indefinitely
The amendments to IFRS 10 and IAS 28 deal with situations where there is a sale or contribution of assets between an investor and its associate or joint venture. Specifically, the amendments state that gains or losses resulting from the loss of control of a subsidiary that does not contain a business in a transaction with an associate or a joint venture that is accounted for using the equity method, are recognised in the parent's profit or loss only to the extent of the unrelated investors' interests in that associate or joint venture. Similarly, gains and losses resulting from the remeasurement of investments retained in any former subsidiary (that has become an associate or a joint venture that is accounted for using the equity method) to fair value are recognised in the former parent's profit or loss only to the extent of the unrelated investors' interests in the new associate or joint venture.	
Amendments to IAS 1 – Classification of Liabilities as Current or Non-current	January 1, 2023. Early application is permitted.
The amendments to IAS 1 affect only the presentation of liabilities as current or non-current in the statement of financial position and not the amount or timing of recognition of any asset, liability, income or expenses, or the information disclosed about those items. The amendments clarify that the classification of liabilities as current or non-current is based on rights that are in existence at the end of the reporting period, specify that classification is unaffected by expectations about whether an entity will exercise its right to defer settlement of a liability, explain that rights are in existence if covenants are complied with at the end of the reporting period, and introduce a definition of 'settlement' to make clear that settlement refers to the transfer to the counterparty of cash, equity instruments, other assets or services.	
Amendments to IFRS 3 – Reference to the Conceptual Framework	January 1, 2022
The amendments update IFRS 3 so that it refers to the 2018 Conceptual Framework instead of the 1989 Framework. They also add to IFRS 3 a requirement that, for obligations within the scope of IAS 37, an acquirer applies IAS 37 to determine whether at the acquisition date a present obligation exists as a result of past events. For a levy that would be within the scope of IFRIC 21 Levies, the acquirer applies IFRIC 21 to determine whether the obligating event that gives rise to a liability to pay the levy has occurred by the acquisition date.	

2. APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRSs) (CONTINUED)

2.3 New and amended IFRSs in issue but not yet effective and not early adopted(continued)

New and revised IFRSs	Effective for annual periods beginning on or after
Amendments to IFRS 3 – Reference to the Conceptual Framework (continued)	January 1, 2022
Finally, the amendments add an explicit statement that an acquirer does not recognise contingent assets acquired in a business combination. The amendments are effective for business combinations for which the date of acquisition is on or after the beginning of the first annual period beginning on or after 1 January 2022. Early application is permitted if an entity also applies all other updated references (published together with the updated Conceptual Framework) at the same time or earlier.	
Amendments to IAS 16 – Property, Plant and Equipment—Proceeds before Intended Use	January 1, 2022. Early application permitted.
The amendments prohibit deducting from the cost of an item of property, plant and equipment any proceeds from selling items produced before that asset is available for use, i.e. proceeds while bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Consequently, an entity recognises such sales proceeds and related costs in profit or loss. The entity measures the cost of those items in accordance with IAS 2 Inventories. The amendments also clarify the meaning of 'testing whether an asset is functioning properly'. IAS 16 now specifies this as assessing whether the technical and physical performance of the asset is such that it is capable of being used in the production or supply of goods or services, for rental to others, or for administrative purposes. If not presented separately in the statement of comprehensive income, the financial statements shall disclose the amounts of proceeds and cost included in profit or loss that relate to items produced that are not an output of the entity's ordinary activities, and which line item(s) in the statement of comprehensive income include(s) such proceeds and cost. The amendments are applied retrospectively, but only to items of property, plant and equipment that are brought to the location and condition necessary for them to be capable of operating in the manner intended by management on or after the beginning of the earliest period presented in the consolidated financial statements in which the entity first applies the amendments. The entity shall recognise the cumulative effect of initially applying the amendments as an adjustment to the opening balance of retained earnings (or other component of equity, as appropriate) at the beginning of that earliest period presented.	

2. APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRSs) (CONTINUED)

2.3 New and amended IFRSs in issue but not yet effective and not early adopted (continued)

New and revised IFRSs	Effective for annual periods beginning on or after
Amendments to IAS 37 – Onerous Contracts—Cost of Fulfilling a Contract The amendments specify that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract consist of both the incremental costs of fulfilling that contract (examples would be direct labour or materials) and an allocation of other costs that relate directly to fulfilling contracts (an example would be the allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract).	January 1, 2022. Early application permitted.
Interest Rate Benchmark Reform – Phase 2 (Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16) The amendments address issues that might affect financial reporting as a result of the reform of an interest rate benchmark, including the effects of changes to contractual cash flows or hedging relationships arising from the replacement of an interest rate benchmark with an alternative benchmark rate. The amendments provide practical relief from certain requirements in IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 relating to: – changes in the basis for determining contractual cash flows of financial assets, financial liabilities and lease liabilities; and – hedge accounting. *Change in basis for determining cash flows* The amendments will require an entity to account for a change in the basis for determining the contractual cash flows of a financial asset or financial liability that is required by interest rate benchmark reform by updating the effective interest rate of the financial asset or financial liability. At 31 December 2020, the Group does not have financial assets or liabilities that will be subject to IBOR reform.	January 1, 2021

2. APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRSs) (CONTINUED)

2.3 New and amended IFRSs in issue but not yet effective and not early adopted (continued)

New and revised IFRSs	Effective for annual periods beginning on or after
Hedge accounting The amendments provide exceptions to the hedge accounting requirements in the following areas. – Allow amendment of the designation of a hedging relationship to reflect changes that are required by the reform. – When a hedged item in a cash flow hedge is amended to reflect the changes that are required by the reform, the amount accumulated in the cash flow hedge reserve will be deemed to be based on the alternative benchmark rate on which the hedged future cash flows are determined. When a group of items is designated as a hedged item and an item in the group is amended to reflect the changes that are required by the reform, the hedged items are allocated to subgroups based on the benchmark rates being hedged. If an entity reasonably expects that an alternative benchmark rate will be separately identifiable within a period of 24 months, it is not prohibited from designating the rate as a non-contractually specified risk component if it is not separately identifiable at the designation date. *Disclosure* The amendments will require the Group to disclose additional information about the entity's exposure to risks arising from interest rate benchmark reform and related risk management activities. *Transition* The Group plans to apply the amendments from 1 January 2021. Application will not impact amounts reported for 2020 or prior periods.	

2. APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRSs) (CONTINUED)

2.3 New and amended IFRSs in issue but not yet effective and not early adopted (continued)

New and revised IFRSs	Effective for annual periods beginning on or after
Amendments to IAS 37 – Onerous Contracts—Cost of Fulfilling a Contract(continued)	
The amendments apply to contracts for which the entity has not yet fulfilled all its obligations at the beginning of the annual reporting period in which the entity first applies the amendments. Comparatives are not restated.	
Instead, the entity shall recognise the cumulative effect of initially applying the amendments as an adjustment to the opening balance of retained earnings or other component of equity, as appropriate, at the date of initial application.	
Annual Improvements to IFRS Standards 2018–2020 The Annual Improvements include amendments to four Standards.	
IFRS 1 First-time Adoption of International Financial Reporting Standards	January 1, 2022. Early application permitted.
The amendment provides additional relief to a subsidiary which becomes a first-time adopter later than its parent in respect of accounting for cumulative translation differences. As a result of the amendment, a subsidiary that uses the exemption in IFRS 1:D16(a) can now also elect to measure cumulative translation differences for all foreign operations at the carrying amount that would be included in the parent's consolidated financial statements, based on the parent's date of transition to IFRS Standards, if no adjustments were made for consolidation procedures and for the effects of the business combination in which the parent acquired the subsidiary. A similar election is available to an associate or joint venture that uses the exemption in IFRS 1:D16(a).	
IFRS 9 Financial Instruments	January 1, 2022. Early application permitted.
The amendment clarifies that in applying the '10 per cent' test to assess whether to derecognise a financial liability, an entity includes only fees paid or received between the entity (the borrower) and the lender, including fees paid or received by either the entity or the lender on the other's behalf. The amendment is applied prospectively to modifications and exchanges that occur on or after the date the entity first applies the amendment. The amendment is effective for annual periods beginning on or after 1 January 2022, with early application permitted.	
IFRS 16 Leases	
The amendment removes the illustration of the reimbursement of leasehold improvements.	

2. APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRSs) (CONTINUED)

2.3 New and amended IFRSs in issue but not yet effective and not early adopted(continued)

New and revised IFRSs	Effective for annual periods beginning on or after
IAS 41 Agriculture The amendment removes the requirement in IAS 41 for entities to exclude cash flows for taxation when measuring fair value. This aligns the fair value measurement in IAS 41 with the requirements of IFRS 13 Fair Value Measurement to use internally consistent cash flows and discount rates and enables preparers to determine whether to use pretax or post-tax cash flows and discount rates for the most appropriate fair value measurement. The amendment is applied prospectively, i.e. for fair value measurements on or after the date an entity initially applies the amendment.	January 1, 2022. Early application permitted.

Management anticipates that these new standards, interpretations and amendments will be adopted in the Group's consolidated financial statements as and when they are applicable and adoption of these new standards, interpretations and amendments as highlighted in previous paragraphs, may have no material impact on the consolidated financial statements of the Group in the period of initial application.

3. SIGNIFICANT ACCOUNTING POLICIES

Statement of compliance

The financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS"), applicable provisions of Qatar Commercial Companies Law and the Company's Articles of Association.

Basis of preparation

The consolidated financial statements have been prepared under the historical cost convention, except for investment properties and certain financial instruments that are measured at fair value at the end of each reporting period.

The consolidated financial statements have been presented in Qatari Riyals ("QR"), which is the Group's presentation and functional currency.

Basis of consolidation

The consolidated financial statements comprise the financial statements of Mazaya Qatar Real Estate Development Q.P.S.C. and its subsidiaries (together referred to as the "Group") as at 31 December 2020. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

Specifically, the Group controls an investee if and only if the Group has:

- Power over the investee;
- 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.

3. SIGNIFICANT ACCOUNTING POLICIES

Basis of consolidation (continued)

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 above mentioned elements of control. 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 profit or loss and other comprehensive income from the date the Group gains control until the date the Group ceases to control the subsidiary.

Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with the Group's accounting policies.

All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between the members of the Group are eliminated on consolidation.

Comprehensive income are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. These consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies. 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.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:

- Derecognises the assets (including goodwill) and liabilities of the subsidiary.
- Derecognises the carrying amount of any non-controlling interests.
- Derecognises the cumulative translation differences recorded in equity.
- Recognises the fair value of the consideration received.
- Recognises the fair value of any investment retained.
- Recognises any surplus or deficit in profit or loss.
- Reclassifies the parent's share of components previously recognised in OCI to profit or loss or retained earnings, as appropriate, as would be required if the Group had directly disposed of the related assets or liabilities.

Fair values

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Group.

All assets and liabilities for which fair value is measured or disclosed in the consolidated financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

3. SIGNIFICANT ACCOUNTING POLICIES

Fair values (continued)

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

Revenue recognition

The Group's principal revenues are generated from renting residential compounds and rendering property management services.

Rendering of property management services
The Group is involved in property management services including maintenance of residential compounds owned and leased out by the Group. Revenue is recognised over time using an input method to measure progress towards complete satisfaction of the service, because the entity's performance does not create an asset with alternative use, and the entity has a right to payment for performance completed to date. If the services under a single arrangement are rendered in different reporting periods, then the consideration is allocated on a relative fair value basis between the different services. Under IFRS 15, the total consideration in the service contracts is allocated to all services based on their stand-alone selling prices. The stand-alone selling prices are determined based on the list prices at which the Group sells the services in separate contracts. The fair value and stand-alone selling prices of the services are considered to be broadly similar.

Invoices for property management services are issued on monthly intervals based on the volume of services provided measured in the means of volume of power consumption, usage of consumable materials and hours consumed. Invoices for property management services are issued on a monthly basis and are usually payable within 30-45 days.

There is no variable consideration attached to the Group's service offerings as the Group does not operate any loyalty program schemes, no significant financing components are embedded in its contract with customers, no rebates are offered based on volume of services offered and by its nature of business, right of return and warranty obligations are not applicable.

Leases

(a) The Group as lessee
The Group assesses whether a contract is or contains a lease, at inception of the contract. The Group recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets (such as tablets and personal computers, small items of office furniture and telephones). For these leases, the Group recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Group uses its incremental borrowing rate.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Leases (continued)

(a) The Group as lessee (continued)

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

- Fixed lease payments (including in-substance fixed payments), less any lease incentives receivable;
- Variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- The amount expected to be payable by the lessee under residual value guarantees;
- The exercise price of purchase options, if the lessee is reasonably certain to exercise the options; and
- Payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

The lease liability is presented as a separate line in the consolidated statement of financial position.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

The Group remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:

- The lease term has changed or there is a significant event or change in circumstances resulting in a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.
- The lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is remeasured by discounting the revised lease payments using an unchanged discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used).
- A lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day, less any lease incentives received and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Whenever the Group incurs an obligation for costs to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying asset to the condition required by the terms and conditions of the lease, a provision is recognised and measured under IAS 37. To the extent that the costs relate to a right-of-use asset, the costs are included in the related right-of-use asset, unless those costs are incurred to produce inventories.

Right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset.

If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Group expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Leases (continued)

(a) The Group as lessee (continued)

The right-of-use assets are presented as a separate line in the consolidated statement of financial position.

The Group applies IAS 36 to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss as described in the 'Property and Equipment' policy.

As a practical expedient, IFRS 16 permits a lessee not to separate non-lease components, and instead account for any lease and associated non-lease components as a single arrangement. The Group has not used this practical expedient. For a contracts that contain a lease component and one or more additional lease or non-lease components, the Group allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

(b) The Group as lessor

Leases for which the Group is a lessor are classified as finance or operating leases. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

When the Group is an intermediate lessor, it accounts for the head lease and the sub-lease as two separate contracts. The sub-lease is classified as a finance or operating lease by reference to the right-of-use asset arising from the head lease.

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

Amounts due from lessees under finance leases are recognised as receivables at the amount of the Group's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the Group's net investment outstanding in respect of the leases.

Foreign currencies

Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the reporting date. All differences are taken to the consolidated statement of comprehensive income. Non-monetary items measured in terms of historical costs in a foreign currency are translated using the exchange rates as of the date of the initial transaction.

Property and equipment

Property and equipment is stated at cost less accumulated depreciation and any impairment in value.

Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labor, any other costs directly attributable to bringing the asset to a working condition for its intended use, and the costs of dismantling and removing the items and restoring the site on which they are located. Purchased software that is integral to the functionality of the related equipment is capitalized as part of Computer and equipment.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Property and equipment (continued)

Depreciation is recognized in the consolidated statement of profit or loss and other comprehensive income on a straight-line basis over the estimated useful lives of each part of an item of property and equipment.

The estimated useful lives of the depreciable assets are as follows:

Computer and equipment	1-3 years
Furniture and fixtures	5 years
Motor vehicles	5 years

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

Right-of-use assets are depreciated over the shorter period of the lease term and the useful life of the underlying asset. If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Group expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset.

The carrying values of property and equipment are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable. If any such indication exists and where the carrying values exceed the estimated recoverable amount, the assets are written down to their recoverable amount.

Expenditure incurred to replace a component of an item of property and equipment that is accounted for separately is capitalized and the carrying amount of the component that is replaced is written off. Other subsequent expenditure is capitalized only when it increases future economic benefits of the related item of property and equipment. All other expenditure is recognized in the consolidated statement of profit or loss and other comprehensive income as the expense is incurred.

An item of property and equipment is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset is included in the consolidated statement of profit or loss and other comprehensive income in the year the asset is derecognized.

Investment properties

Investment properties are properties which are held either to earn rental income, including those under development, or for capital appreciation or for both, are initially measured at cost, including transaction costs.

Subsequent to initial recognition, investment properties are stated at fair value. The fair values are based on market values, being the estimated amount for which a property could be exchanged on the date of valuation between a willing buyer and a willing seller in an arm's length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion. Valuations reflect, where appropriate; the type of tenants actually in occupation or responsible for meeting lease commitments or likely to be in occupation after letting of vacant accommodation and the market's general perception of their credit-worthiness; the allocation of maintenance and insurance responsibilities between lessor and lessee; and the remaining economic life of the property. Any gain or loss arising from a change in fair value is recognized in the consolidated statement of profit and loss and other comprehensive income.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Investment properties (continued)

Property that is being constructed for future use as investment property is accounted for as investment property under the fair value model. Property under construction is designated as investment property only if there are unambiguous plans by management to subsequently utilize the property for rental activities upon completion of development, or if there is undetermined future use of the property and hence the property is held for long term capital appreciation.

Transfers between property categories
Transfers to, or from, investment property shall be made when, and only when, there is a change in use, evidenced by:

(a) commencement of owner-occupation, for a transfer from investment property to owner-occupied property;
(b) commencement of development with a view to sale, for a transfer from investment property to inventories;
(c) end of owner-occupation, for a transfer from owner-occupied property to investment property;
(d) commencement of an operating lease to another party, for a transfer from inventories to investment property.

When the Group decides to dispose of an investment property without development, it continues to treat the property as an investment property until it is derecognized (eliminated from the consolidated statement of financial position) and does not treat it as trading property.

When the use of a property changes from owner-occupied to investment property, the property is remeasured to fair value and reclassified as investment property. Any gain arising on remeasurement is recognized directly in equity as a revaluation surplus. Any loss is recognized immediately in the consolidated statement of profit or loss and other comprehensive income.

For a transfer from investment property carried at fair value to owner-occupied property or inventories, the property's deemed cost for subsequent accounting in accordance with IAS 16 or IAS 2 shall be its fair value at the date of change in use.

For a transfer from inventories to investment property that will be carried at fair value, any difference between the fair value of the property at that date and its previous carrying amount shall be recognized in consolidated statement of profit or loss and other comprehensive income.

Project in progress

Properties in the course of construction for production, rental or administrative purposes, or for purposes not yet determined, are carried at cost, less any recognized impairment loss.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Impairment of non financial assets

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Group makes an estimate of the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating units fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or group of assets. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less cost to sell, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded subsidiaries or other available fair value indicators.

An assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in profit or loss unless the asset is carried at revalued amount, in this case the reversal is treated as a revaluation increase. After such a reversal the depreciation charge is adjusted in future periods to allocate the asset's revised carrying amount, less any residual value, on a systematic basis over its remaining useful life.

Financial instruments

Financial assets and financial liabilities are recognised in the Group's statement of financial position when the Group becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

Financial assets

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

All recognised financial assets are measured subsequently in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial instruments (continued)

Financial assets (continued)

Classification of financial assets

Debt instruments that meet the following conditions are measured subsequently at amortised cost:

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

Debt instruments that meet the following conditions are measured subsequently at fair value through other comprehensive income (FVTOCI):
the financial asset is held within a business model whose objective is achieved by both collecting contractual cash

- flows and selling the financial assets; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

By default, all other financial assets are measured subsequently at fair value through profit or loss (FVTPL).

Despite the foregoing, the Group may make the following irrevocable election/designation at initial recognition of a financial asset:

- the Group may irrevocably elect to present subsequent changes in fair value of an equity investment in other comprehensive income if certain criteria are met (see (iii) below); and
- the Group may irrevocably designate a debt investment that meets the amortised cost or FVTOCI criteria as measured at FVTPL if doing so eliminates or significantly reduces an accounting mismatch (see (iv) below).

(i) Amortised cost and effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. For financial assets other than purchased or originated credit-impaired financial assets (i.e. assets that are credit-impaired on initial recognition), the effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) excluding expected credit losses, through the expected life of the debt instrument, or, where appropriate, a shorter period, to the gross carrying amount of the debt instrument on initial recognition. For purchased or originated credit-impaired financial assets, a credit-adjusted effective interest rate is calculated by discounting the estimated future cash flows, including expected credit losses, to the amortised cost of the debt instrument on initial recognition.

The amortised cost of a financial asset is the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount, adjusted for any loss allowance. The gross carrying amount of a financial asset is the amortised cost of a financial asset before adjusting for any loss allowance.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial instruments (continued)

Financial assets (continued)

Classification of financial assets (continued)

Interest income is recognised using the effective interest method for debt instruments measured subsequently at amortised cost and at FVTOCI. For financial assets other than purchased or originated credit-impaired financial assets, interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset, except for financial assets that have subsequently become credit-impaired (see below). For financial assets that have subsequently become credit-impaired, interest income is recognised by applying the effective interest rate to the amortised cost of the financial asset. If, in subsequent reporting periods, the credit risk on the credit-impaired financial instrument improves so that the financial asset is no longer credit-impaired, interest income is recognised by applying the effective interest rate to the gross carrying amount of the financial asset.

For purchased or originated credit-impaired financial assets, the Group recognises interest income by applying the credit-adjusted effective interest rate to the amortised cost of the financial asset from initial recognition. The calculation does not revert to the gross basis even if the credit risk of the financial asset subsequently improves so that the financial asset is no longer credit-impaired.

Interest income is recognised in the consolidated statement of profit or loss and other comprehensive income and is included in the "finance income" line item.

(ii) Equity instruments designated as at FVTOCI
On initial recognition, the Group may make an irrevocable election (on an instrument-by-instrument basis) to designate investments in equity instruments as at FVTOCI. Designation at FVTOCI is not permitted if the equity investment is held for trading or if it is contingent consideration recognised by an acquirer in a business combination.

A financial asset is held for trading if:

- it has been acquired principally for the purpose of selling it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Group manages together and has evidence of a recent actual pattern of short-term profit-taking; or
- it is a derivative (except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument).

Investments in equity instruments at FVTOCI are initially measured at fair value plus transaction costs. Subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognised in other comprehensive income and accumulated in the investments revaluation reserve. The cumulative gain or loss is not reclassified to profit or loss on disposal of the equity investments, instead, it is transferred to retained earnings.

Dividends on these investments in equity instruments are recognised in profit or loss in accordance with IFRS 9, unless the dividends clearly represent a recovery of part of the cost of the investment. Dividends are included in the 'other income' line item (note 21) in profit or loss.

The Group designated all investments in equity instruments that are not held for trading as at FVTOCI on initial recognition.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial instruments (continued)

Financial assets (continued)

(iii) Financial assets at FVTPL
Financial assets that do not meet the criteria for being measured at amortised cost or FVTOCI (see (i) to (ii) above) are measured at FVTPL. Specifically:

- Investments in equity instruments are classified as at FVTPL, unless the Group designates an equity investment that is neither held for trading nor a contingent consideration arising from a business combination as at FVTOCI on initial recognition (see (ii) above).

- Debt instruments that do not meet the amortised cost criteria or the FVTOCI criteria (see (i) above) are classified as at FVTPL. In addition, debt instruments that meet either the amortised cost criteria or the FVTOCI criteria may be designated as at FVTPL upon initial recognition if such designation eliminates or significantly reduces a measurement or recognition inconsistency (so called 'accounting mismatch') that would arise from measuring assets or liabilities or recognising the gains and losses on them on different bases. The Group has not designated any debt instruments as at FVTPL.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any fair value gains or losses recognised in profit or loss to the extent they are not part of a designated hedging relationship. The net gain or loss recognised in profit or loss includes any dividend or interest earned on the financial asset and is included in the 'other income' line item. Fair value is determined in the manner described in note 28.

Foreign exchange gains and losses
The carrying amount of financial assets that are denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of each reporting period. Specifically:

- for financial assets measured at amortised cost that are not part of a designated hedging relationship, exchange differences are recognised in profit or loss ;
- for debt instruments measured at FVTOCI that are not part of a designated hedging relationship, exchange differences on the amortised cost of the debt instrument are recognised in profit or loss
- Other exchange differences are recognised in other comprehensive income in the investments revaluation reserve;
- for financial assets measured at FVTPL that are not part of a designated hedging relationship, exchange differences are recognised in profit or loss; and
- for equity instruments measured at FVTOCI, exchange differences are recognised in other comprehensive income in the investments revaluation reserve.

Impairment of financial assets

The Group recognises a loss allowance for expected credit losses on investments in debt instruments that are measured at amortised cost or at FVTOCI, lease receivables, trade receivables and contract assets, as well as on financial guarantee contracts. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

The Group always recognises lifetime ECL (expected credit losses) for trade receivables, contract assets and lease receivables. The expected credit losses on these financial assets are estimated using a provision matrix based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial instruments (continued)

Financial assets (continued)

Impairment of financial assets (continued)

For all other financial instruments, the Group recognises lifetime ECL when there has been a significant increase in credit risk since initial recognition. However, if the credit risk on the financial instrument has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to 12-month ECL.

Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12-month ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

(i) Significant increase in credit risk
In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial instrument at the reporting date with the risk of a default occurring on the financial instrument at the date of initial recognition. In making this assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort.

For financial guarantee contracts, the date that the Group becomes a party to the irrevocable commitment is considered to be the date of initial recognition for the purposes of assessing the financial instrument for impairment. In assessing whether there has been a significant increase in the credit risk since initial recognition of a financial guarantee contracts, the Group considers the changes in the risk that the specified debtor will default on the contract.

The Group regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount becomes past due.

The Group assumes that the credit risk on a financial instrument has not increased significantly since initial recognition if the financial instrument is determined to have low credit risk at the reporting date. A financial instrument is determined to have low credit risk if:
(1) The financial instrument has a low risk of default,
(2) The borrower has a strong capacity to meet its contractual cash flow obligations in the near term, and
(3) Adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations.

(ii) Definition of default
The Group employs statistical models to analyse the data collected and generate estimates of probability of default ("PD") of exposures with the passage of time. This analysis includes the identification for any changes in default rates and changes in key macro-economic factors across various geographies of the Group.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial instruments (continued)

Financial assets (continued)

Impairment of financial assets (continued)

(iii) Credit-impaired financial assets
A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:

(a) significant financial difficulty of the issuer or the borrower;
(b) a breach of contract, such as a default or past due event (see (ii) above);
(c) the lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider;
(d) it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation; or
(e) the disappearance of an active market for that financial asset because of financial difficulties.

(iii) Write-off policy
The Group writes off a financial asset when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery.

(iv) Measurement and recognition of expected credit losses
The measurement of expected credit losses is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information as described above. As for the exposure at default, for financial assets, this is represented by the assets' gross carrying amount at the reporting date; for financial guarantee contracts, the exposure includes the amount drawn down as at the reporting date, together with any additional amounts expected to be drawn down in the future by default date determined based on historical trend, the Group's understanding of the specific future financing needs of the debtors, and other relevant forward-looking information.

For financial assets, the expected credit loss is estimated as the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive, discounted at the original effective interest rate.

Derecognition of financial assets
The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial instruments (continued)

Financial assets (continued)

Derecognition of financial assets (continued)

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss. In addition, on derecognition of an investment in a debt instrument classified as at FVTOCI, the cumulative gain or loss previously accumulated in the investments revaluation reserve is reclassified to profit or loss. In contrast, on derecognition of an investment in equity instrument which the Group has elected on initial recognition to measure at FVTOCI, the cumulative gain or loss previously accumulated in the investments revaluation reserve is not reclassified to profit or loss, but is transferred to retained earnings.

Financial liabilities and equity

Classification as debt or equity

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Group are recognised at the proceeds received, net of direct issue costs. Repurchase of the Group's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Group's own equity instruments.

Financial liabilities

All financial liabilities are measured subsequently at amortised cost using the effective interest method or at FVTPL.

Financial liabilities at FVTPL

Financial liabilities at FVTPL are stated at fair value, with any gains or losses arising on changes in fair value recognised in the consolidated statement of profit or loss to the extent that they are not part of a designated hedging relationship. The net gain or loss recognised in the consolidated statement profit or loss incorporates any interest paid on the financial liability.

However, for financial liabilities that are designated as at FVTPL, the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is recognised in statement of other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch statement of in profit or loss. The remaining amount of change in the fair value of liability is recognised in statement of profit or loss. Changes in fair value attributable to a financial liability's credit risk that are recognized in statement of other comprehensive income are not subsequently reclassified to statement of profit or loss; instead, they are transferred to retained earnings upon derecognition of the financial liability.

Gains or losses on financial guarantee contracts issued by the Group that are designated by the Group as at FVTPL are recognised in profit or loss.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial liabilities (continued)

Financial liabilities measured subsequently at amortised cost
Financial liabilities that are not designated as FVTPL, are measured subsequently at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortised cost of a financial liability.

Derecognition of financial liabilities
The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the consolidated statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

Events after the reporting date

The consolidated financial statements are adjusted to reflect events that occurred between the reporting date and the date when the consolidated financial statements are authorised for issue, provided they give evidence of conditions that existed at the reporting date. Any post year-end events that are non-adjusting are discussed on the consolidated financial statements when material.

Provisions

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

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the statement of financial position date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

Employees' end of service benefits

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

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Employees' end of service benefits (continued)

With respect to its national employees, the Group provides contributions to the General Retirement and Social Insurance Authority calculated as a percentage of the employees' salaries. The Group's obligations are limited to these contributions, which are expensed when due.

Islamic finance facilities

Islamic financing facilities are recognized initially at fair value of the consideration received, less directly attributable transaction costs. Subsequent to initial recognition, those obligations are measured at amortized cost using the effective cost method.

Gains or losses are recognized in the consolidated statement of profit or loss and other comprehensive income when the liabilities are derecognized as well as through the amortization process. Finance cost and other related charges are recognized as an expense when incurred. Installments due within one year are shown as a current liability. Installments due after 1 year are shown as non-current liability.

Islamic finance costs

Islamic finance costs are finance cost and other costs that the Group incurs in connection with the borrowing of funds. The Group capitalizes Islamic finance costs that are directly attributable to the acquisition, construction or production of a qualifying asset as part of the cost of that asset. A qualifying asset for Islamic finance cost capitalization is an asset that necessarily takes a substantial period of time to get ready for its intended use or sale. The Group recognizes other Islamic finance costs as an expense in the period incurred.

Contingencies

Contingent liabilities are not recognised in the consolidated financial statements. They are disclosed unless the possibility of an outflow of resources embodying economic benefits is remote. A contingent asset is not recognized in the consolidated financial statements but disclosed when an inflow of economic benefits is probable to the Group.

Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the consolidated statement of profit or loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Group's liability for current tax is calculated using tax provisions as prescribed by the Qatar's Income Tax Law.

Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Taxation (continued)

Deferred tax (continued)

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates and laws prescribed by the Qatar's Income Tax Law. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Current and deferred tax are recognised in the consolidated statement of profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

Dividends income

Dividends income is recognised when the Group's right to receive the payment is established.

Earnings per share

The Group presents basic and diluted earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the parent 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 shares outstanding for the effects of all dilutive potential ordinary shares, which comprise convertible notes and share options granted to employees, if any.

Dividend distribution

Dividend distribution to the Group's shareholders is recognised as a liability in the Group's consolidated financial statements in the period in which the dividends are approved by the Group's shareholders.

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

Critical judgments and estimates

The preparation of the consolidated financial statements in compliance with IFRS requires the management to make estimates and assumptions that affect the reported amounts of assets, liabilities, income and expenses and disclosure of contingent assets and contingent liabilities. Future events may occur which will cause the assumptions used in arriving at the estimates to change. The effects of any change in estimates are reflected in the consolidated financial statements as they become reasonably determinable.

Judgments and estimates are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (CONTINUED)

Critical judgements

In the process of applying the Group's accounting policies, management has made the following judgments, apart from those involving estimations, which have the most significant effect on the amounts recognized in the consolidated financial statements:

Revenue recognition
Management considers recognizing revenue over time, if one of the following criteria is met, otherwise revenue will be recognized at a point in time:

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

Business model assessment
Classification and measurement of financial assets depends on the results of the SPPI and the business model test. The Group determines the business model at a level that reflects how groups of financial assets are managed together to achieve a particular business objective. This assessment includes judgement reflecting all relevant evidence including how the performance of the assets is evaluated and their performance measured, the risks that affect the performance of the assets and how these are managed and how the managers of the assets are compensated. The Group monitors financial assets measured at amortised cost or fair value through other comprehensive income that are derecognised prior to their maturity to understand the reason for their disposal and whether the reasons are consistent with the objective of the business for which the asset was held. Monitoring is part of the Group's continuous assessment of whether the business model for which the remaining financial assets are held continues to be appropriate and if it is not appropriate whether there has been a change in business model and so a prospective change to the classification of those assets.

Significant increase in credit risk
ECL are measured as an allowance equal to 12-month ECL for stage 1 assets, or lifetime ECL assets for stage 2 or stage 3 assets. An asset moves to stage 2 when its credit risk has increased significantly since initial recognition. IFRS 9 does not define what constitutes a significant increase in credit risk. In assessing whether the credit risk of an asset has significantly increased the Group takes into account qualitative and quantitative reasonable and supportable forward looking information.

Determining of commencement date of the lease
The commencement date of the lease has been determined in relation to the date on which the lessor makes the underlying asset available for use by the lessee. Management has applied its best judgement to determine the actual commencement date.

Determining the lease term
In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated).

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (CONTINUED)

Critical judgements (continued)

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. The Group's current liabilities exceeded its current assets by QR. 208,442,954 as at 31 December 2020. Management has outstanding facility arrangement with one of the local banks not yet utilized, therefore management consider that the Group has the ability to meet its financial obligations as they fall due. Furthermore, management is not aware of any material uncertainties that may cast significant doubt upon the Group's ability to continue a going concern. Therefore, the consolidated financial statements are prepared on a going concern basis.

Replacement of land in investment properties
Management of the Group is under negotiation with the Government to have an alternative land (refer note 6) in replacement of one of the existing land owned by the Group. Management is still assessing the option received and believe that the alternative land will be substantially equal to the carrying value of land in the consolidated financial statements as at 31 December 2020.

Estimates

The key assumptions concerning the future and other sources of estimation uncertainty at the financial position 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 discussed below.

Discounting of lease payments
The lease payments are discounted using the Group's incremental borrowing rate ("IBR") in case of lessee and Internal Rate of Return ("IRR") in case of lessor. Management has applied judgments and estimates to determine the IBR and IRR at the commencement of lease.

Residual value guarantees
The Group initially estimates and recognises amounts expected to be payable under residual value guarantees as part of the lease liability. The amounts are reviewed, and adjusted if appropriate, at the end of each reporting period. Management has applied judgments and estimates to determine the residual value, if any.

Impairment of tangible assets
The Group's management tests annually whether there is an indication that tangible assets have suffered impairment in accordance with accounting policies stated in note 3. The recoverable amount of an asset is determined based on value-in-use method. This method uses estimated cash flow projections over the estimated useful life of the asset discounted using market rates.

Estimated useful lives of property and equipment
The costs of items of property and equipment are depreciated on a systematic basis over the estimated useful lives of the assets. Management has determined the estimated useful lives of each asset and/ or category of assets based on the following factors:

- Expected usage of the assets;
- Expected physical wear and tear, which depends on operational and environmental factors; and;
- Legal or similar limits on the use of the assets.

Management has not made estimates of residual values for any items of property and equipment at the end of their useful lives as these have been deemed to be insignificant.

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (CONTINUED)

Estimates (continued)

Classification of investment property
When determining whether property and equipment should be classified as investment property, the Group assesses whether the property is held to earn rentals for capital appreciation or both. The Group follows the guidance of IAS 40 on classifying its investment property. If the property meets the definition, the Group assesses the suitable basis for allocation for the ratio of leased out area in proportion to the total area of the property, either on the basis of floors or square meter area rented out.

Calculation of loss allowance
When measuring ECL the Group uses reasonable and supportable forward looking information, which is based on assumptions for the future movement of different economic drivers and how these drivers will affect each other. The Group uses estimates for the computation of loss rates.

Loss given default is an estimate of the loss arising on default. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, taking into account cash flows from collateral and integral credit enhancements.

During the year, the Group recognized an additional provision amounting to QR 1,500,000 for Wakalaa investment. Management is of the opinion that the investment will be recovered and collected by the Group in the future.

Fair value measurements
Some of the Group's assets and liabilities are measured at fair value for financial reporting purposes. In estimating the fair value of an asset or a liability, the Group uses market-observable data to the extent it is available. Where Level 1 inputs are not available, the Group engages qualified external valuers to perform the valuation. Management/valuation committee if any works closely with the qualified external valuers to establish the appropriate valuation techniques and inputs to the model. Information about the valuation techniques and inputs used in determining the fair value of various assets and liabilities are disclosed in respective notes.

Management has estimated the fair value of a residential compound amounting to QR. 332,500,000 by applying an input that the current lease agreement will be renewed with the same terms and conditions after the expiry date in September 2022 (Note 6).

Assessment as to whether the right-of-use assets is impaired
In estimating the recoverable amount of the right-of-use asset, the management have made assumptions about the achievable market rates for similar properties with similar lease terms.

5. PROPERTY AND EQUIPMENT

	Computer and equipment	Furniture and fixtures	Motor vehicles	Total
	QR	QR	QR	QR
Cost:				
At 1 January 2019	1,839,647	1,154,491	580,000	3,574,138
Additions	21,105	4,199	--	25,304
At 31 December 2019	1,860,752	1,158,690	580,000	3,599,442
Additions	447,203	--	143,150	590,353
Disposals	(1,169,719)	(1,118,805)	(580,000)	(2,868,524)
At 31 December 2020	1,138,236	39,885	143,150	1,321,271
Depreciation:				
At 1 January 2019	1,773,618	1,141,978	412,329	3,327,925
Charge for the year	73,069	3,943	85,000	162,012
At 31 December 2019	1,846,687	1,145,921	497,329	3,489,937
Charge for the year	80,626	3,970	92,868	177,464
Disposals	(1,169,719)	(1,118,805)	(580,000)	(2,868,524)
At 31 December 2020	757,594	31,086	10,197	798,877
Net carrying amount				
31 December 2020	**380,642**	**8,799**	**132,953**	**522,394**
31 December 2019	14,065	12,769	82,671	109,505

6. INVESTMENT PROPERTIES

The movement in investment properties during the year is as follows:

	2020	2019
	QR	QR
At 1 January	**744,194,358**	734,979,899
Addition	**152,250,000**	--
Net fair value movement during the year	**3,654,190**	9,214,459
Balance at 31 December	**900,098,548**	744,194,358

During the year, the Group sold Gloria Hotel to a third party and incurred a loss of QR 9,270,000 being the difference between the consideration received and the carrying value on the transaction date. Subsequent to the sale, the buyer defaulted on the payment, hence the Group reacquired Gloria Hotel and reverse the sale transaction, thus recognizing the property at the carrying value of QR. 115,000,000.

The investment properties includes a property leased out under an operating lease agreement to a third party for an annual rent of QR 22,037,500 as at 31 December 2020 (2019: QR 22,037,500). Rental income from the property is pledged against the facilities obtained from an Islamic bank (Note 16).

6. INVESTMENT PROPERTIES (CONTINUED)

Fair value

The fair value of the Group's investment properties at 31 December 2020 and 2019 has been arrived at on the basis of a valuation carried out at that date by an independent external valuator not related to the Group. The valuations were prepared by certified valuator, specialized in the valuation of real estate and similar activities. The fair value was determined based on the market comparable approach that reflects recent transaction prices for similar properties and discounted cash flows coupled with market and other evidence. In estimating the fair value of the properties, the highest and best use of the properties is considered to be their current use.

	Total	Quoted prices in active markets Level 1	Significant observable inputs Level 2	Significant unobservable inputs Level 3
	QR	QR	QR	QR
31 December 2020				
Investment properties	**900,098,548**	**--**	**--**	**900,098,548**
31 December 2019				
Investment properties	744,194,358	--	--	744,194,358

Fair value of investment properties except for the Al Sadd Building, Tala residence, Gloria Hotel and Sidra Village Retail Units are valued using the market comparable approach, due to a moderate volume of transactions involving comparable properties in the areas during the year. Under the market comparable approach, a property's fair value is estimated based on comparable transactions. The market comparable approach is based upon the principle of substitution under which a potential buyer will not pay more for the property than it will cost to buy a comparable substitute property. The unit of comparison applied by the Group is the price per square feet (sq ft).

	Estimated land value per sq ft	
Properties	**2020**	2019
	QR	QR
Plots in Dubai	**28-80**	25-80
Plot in Qatar	**730**	730

The fair value of the Tala residence, Al Sadd Building, Gloria Hotel and Sidra Village Retail Units is determined using a discounted cash flow (DCF) method. Under the DCF method, fair value is estimated using assumptions regarding the benefits and liabilities of ownership over the asset's life including an exit or terminal value. This method involves the projection of a series of cash flows on a real property interest. To this projected cash flow series, an appropriate, market-derived discount rate is applied to establish the present value of the income stream associated with the asset. The exit yield is normally separately determined and differs from the discount rate.

6. INVESTMENT PROPERTIES (CONTINUED)

The key unobservable inputs for the three properties under DCF method described below are as follows;

Key unobservable inputs	**2020**	2019
Monthly rental income	**QR 33-99 sqm**	QR 100-175 sq.m
Rent increment	**5%-15% in every 5 years**	5%-15% in every 5 years
All risk yield – current	**6.5%-8.25%**	6.75%-8%

During the year ended 31 December 2020, there were no transfers between Level 1 and Level 2 fair value measurements, and no transfers into and out of Level 3 fair value measurements. There were no movements within Level 3 fair value measurements.

The Group is in process of evaluating the options related to the best use of a residential property with a fair value of QR 332,500,000, after the expiry current lease agreement in September 2022. The property is currently valued with the assumption that the current lease agreement will be renewed with the same terms and conditions after the expiry. This property is registered in the name of the local bank in Qatar.

During the year, the municipality plan has been changed for the area in which the Group owns a land with carrying amount of QR 230,370,000. Management is under negotiation with the Government to have an alternative land in replacement. Subsequent to the yearend, management received an offer from the authorized party to exchange the land with alternative land in Wukair area in Doha-Qatar. Management is in process of assessing the offer received and the fair value of alternative land. The Group has not performed an assessment for the fair value of this land as at 31 December 2020 and carried in the Group's consolidated statement of financial position at carrying value of QR. 230,370,000.

As a result of the COVID-19 outbreak and the wide ranging impacts on businesses globally, the Group's external valuer has taken into account latest guidelines from RICS and reported the Group's investment property valuations on the basis of 'material valuation uncertainty'. Management have evaluated the basis, and meaning, of such preparation. Although uncertainty is present within the wider real estate market, with varying impacts being observed, Management considers that the existing investment property portfolio of the group to be less impacted by such adverse events due to inherent characteristics of the portfolio including diversification across asset categories, geographic spread and the nature of partially secured future cash flow in relation to the income generating portfolio of assets.

Management understands the basis of such preparation, which primarily intends to highlight future uncertainty and a higher degree of caution. Management have considered this in respect of key sources of estimation uncertainty and have concluded based upon the Group's investment property portfolio inherent characteristics and trends observed, relative to the wider real estate market in the State of Qatar, that the events of COVID-19 do not give rise to new course of key estimation uncertainty, nor do they impact the potential sensitivity level of a reasonable and possible change that may occur within the next 12 months.

7. PROJECT IN PROGRESS

	2020	2019
	QR	QR
Balance at 1 January	**65,414,594**	65,115,044
Additions	**582,118**	299,550
Balance at 31 December	**65,996,712**	65,414,594

Project in progress balance includes the amount incurred on development of one of the Group's projects. The initial plan for the project is to construct a mall, however subsequently management changed the plan of the project to residential and retail development.

During the year, the Group appointed an independent valuer to assess the cost incurred on the project to date and it's usability for the new plan, no impairment loss recognized during the year.

8. RIGHT-OF-USE OF ASSETS

	2020	2019
	QR	QR
Balance at 1 January	**6,283,231**	8,639,443
Amortization of right-of-use	**(2,356,211)**	(2,356,212)
Balance at 31 December	**3,927,020**	6,283,231

The related right-of-use of asset pertains to the lease of office premise of the Group.

9. INVESTMENT SECURITIES

	2020	2019
	QR	QR
Balance at 1 January	**19,638,516**	19,638,516
Fair value loss on unquoted equity investment	**(932,955)**	--
Ending balance	**18,705,561**	19,638,516

Investment securities include unquoted equity investment made in a privately held company in the State of Qatar. Investment securities are valued using Level 3 measurement techniques as per IFRS 7 and there have been no transfers between Level 2 and Level 3 fair value measurements.

10. WAKALA INVESTMENTS

During 2009, the Group had entered into a Wakala contract amounting to QR 65,000,000 with a GCC Investment Company through an agent. The Investment Company did not settle the amount with its accrued profit on the maturity date.

In 2011, the Group obtained a court ruling in its favor, whereby the outstanding Wakala amount, along with related profit, to be settled by the investment Company during the period from June 2013 to June 2017. During 2013, the Group received the first scheduled payment amounting to QR 3,645,605. In 2014, the Investment Company has not honored the installment due to the Group and therefore the Group has decided to provide impairment allowance for the investment amounting to QR. 32,177,198.

In 2019, the Group received a court ruling in their favor for an amount of QR.15,000,000 to be paid to the Group along with the interest due. The Court assigned Central Bank of Kuwait to handle the liquidation process. Further, there is an outgoing case for the remaining amount of QR. 50,000,000 and the decision is expected during 2021.

During the year, the Group recognized an additional provision amounting to QR 1,500,000 (2019: nil).

	2020	2019
	QR	QR
Wakala investments	**61,354,395**	61,354,395
Less: Provision for impairment	**(32,177,198)**	(30,677,198)
	29,177,197	30,677,197

11. FINANCE LEASE RECEIVABLE

The Group entered into finance lease arrangement as a lessor for the construction, maintenance and operation of residential compound with a third party. The compound is specifically constructed by the Group for leasing out to the third party for a term of 21 years and will be transferred to the related party at the end of the lease term.

The table below shows the balances as at 31 December:

	2020	2019
	QR	QR
Non-current portion	**1,134,532,248**	1,164,709,484
Current portion	**30,177,236**	28,362,593
	1,164,709,484	1,193,072,077

11. FINANCE LEASE RECEIVABLE (CONTINUED)

The following table represents the gross and net investment in the lease.

	2020	2019
	QR	QR
Amount receivable under finance leases:		
Year 1	**100,700,000**	100,700,000
Year 2	**100,700,000**	100,700,000
Year 3	**100,700,000**	100,700,000
Year 4	**100,700,000**	100,700,000
Year 5	**100,700,000**	100,700,000
Onwards	**1,490,360,000**	1,591,060,000
Gross investment in lease	**1,993,860,000**	2,094,560,000
Less: unearned finance income	**(829,150,516)**	(901,487,923)
Present value of minimum lease payments schedule	**1,164,709,484**	1,193,072,077
Impairment loss allowance (ECL)	**--**	--
Net investment in the lease	**1,164,709,484**	1,193,072,077

The effective interest rate contracted is approximately 6.25% (2019: 6.25%) per annum, which resulted in finance income of QR 72,337,407 (2019: QR 74,042,931). The finance lease receivable at the end of the reporting period are neither past due nor impaired.

12. RECEIVABLES AND PREPAYMENTS

	2020	2019
	QR	QR
Prepayments	**8,066,356**	631,327
Refundable deposits	**600,525**	550,525
Trade receivable	**163,716**	163,716
Other receivables	**1,801,633**	2,346,421
	10,632,230	3,691,989
Less: loss allowance on other receivables	**(1,125,704)**	(1,125,704)
	9,506,526	2,566,285

At 31 December 2020, the other receivables balance of QR 1,125,704 were impaired (2019: QR 1,125,704). During the year, no further loss allowance of receivables were recorded.

13. ISLAMIC BANK BALANCES AND CASH

Islamic bank balances and cash included in the consolidated statement of cash flows include the following amounts:

	2020	2019
	QR	QR
Islamic bank balances	**43,734,457**	13,189,532
Time deposits	**35,614,212**	59,500,000
Cash in hand	**20,000**	20,000
	79,368,669	72,709,532
Time deposits with maturity of more than 3 month	**--**	(59,500,000)
Cash and cash equivalent	**79,368,669**	13,209,532

13. ISLAMIC BANK BALANCES AND CASH (CONTINUED)

Balances with banks are assessed to have low credit risk of default since these banks are highly regulated by the central banks. Accordingly, management of the Group estimates the loss allowance on balances with banks at the end of the reporting period at an amount equal to 12 month ECL. None of the balances with banks at the end of the reporting period are past due, and taking into account the historical default experience and the current credit ratings of the bank, the management of the Group have assessed that there is no impairment, and hence have not recorded any loss allowances on these balances.

14. SHARE CAPITAL

	2020	2019
	QR	QR
Authorized, issued and fully paid		
1,157,625,000 ordinary shares of QR 1 each (2019: 1,157,625,000 shares)	**1,157,625,000**	1,157,625,000

In January 2020, the Board of Directors decided to purchase its ordinary shares. During March 2020, Qatar Financial Markets Authority approved the purchase of the shares. From April to June 2020, the Group repurchased a total of 14,030,000 of ordinary shares at a cost of QR. 8,943,416.

15. LEGAL RESERVE

The Qatar Commercial Companies Law No.11 of 2015, requires the Group to transfer 10% of the net profit of the year to a legal reserve. Such transfers may be discontinued at the option of the Group when the legal reserve equates to 50% of the share capital. The reserve is not available for distribution except in the circumstances stipulated in the above mentioned law.

16. ISLAMIC FINANCE FACILITIES

		2020	2019
	Notes	**QR**	QR
Islamic facility 1	(i)	**591,304,477**	495,826,851
Islamic facility 2	(ii)	**170,059,815**	187,296,314
Islamic facility 3	(iii)	**--**	53,521,791
Islamic facility 4	(iv)	**--**	57,211,495
		761,364,292	793,856,451
Deferred financing arrangement cost		**(5,172,189)**	--
		756,192,103	793,856,451
Current portion		**66,108,368**	176,813,148
Non-current portion		**690,083,735**	617,043,303
		756,192,103	793,856,451

16. ISLAMIC FINANCE FACILITIES (CONTINUED)

Notes:

(i) During 2014, the Group entered into an Islamic facility agreement with an Islamic Bank in order to finance a real estate project of the Group for an amount of QR 450,000.000 and subsequently increased the facility to QR 549,000,000. The agreement carries profit rate at market rates. The facility is repayable in 30 variable quarterly instalments with last instalment due in August 2026. Expected receipts from the Sidra real estate project are pledged against the Islamic facility. During April 2020, the Group agreed with the bank to restructure this loan including Islamic facility 3 and 4 for a total facility value of QR 800,000,000 with carries profit rate of 4.2%. The loan has six months of grace period which quarterly profit to be paid by the Group. The loan period is for 18 years and the last installment will be on April 2038.

(ii) During 2014, the Group entered into an Islamic facility agreement with an Islamic Bank in order to finance a real estate project of the Group for an amount of QR 274,000,000. The facility is repayable in 9 annual variable instalments from the end of 2014 till the end of 2021 and a final settlement in 2022. The agreement carries profit rate at market rates based on QMRL plus 0.25% with minimum profit of 5.25% per annum. The Islamic facility is secured by a pledge on the rental income from the Tala Residence real estate property.

(iii) During 2017, the Group entered into an Islamic facility agreement with an Islamic Bank in order to finance working capital requirements of the Group for an amount of QR 70,000,000 . The agreement carries profit rate at market rates. The facility is fully settled by the Group during April 2020.

(iv) During 2019, the Group entered into an Islamic facility agreement with an Islamic Bank in order to finance the Group. The agreement carries profit rate at market rates. The facility is fully settled by the Group during April 2020.

Islamic finance cost for the period amounted to QR 34,524,924 (2019: QR 48,279,931).

17. LEASE LIABILITIES

	2020	2019
	QR	QR
Balance as at beginning of the year	**7,705,851**	9,979,426
Accretion of interest	**354,976**	492,125
Payments	**(3,113,389)**	(2,765,700)
Balance as at end of the year	**4,947,438**	7,705,851
Current	**2,914,008**	2,772,500
Non-current	**2,033,430**	4,933,351
	4,947,438	7,705,851

	2020	2019
	QR	QR
Maturity analysis		
Not later than 1 year	**2,914,008**	2,772,500
Later than 1 year and not later than 5 years	**2,033,430**	4,933,351
	4,947,438	7,705,851

17. LEASE LIABILITIES (CONTINUED)

The Group leases its office space for a lease term of five years and used 5.5% (2019: 5.5%) as the incremental borrowing rate.

The Group does not face a significant liquidity risk with regard to its lease liabilities.

18. EMPLOYEES' END OF SERVICE BENEFITS

	2020	2019
	QR	QR
At 1 January	**2,394,239**	1,883,072
Provided during the year	**442,213**	511,167
Paid during the year	**(11,799)**	--
Transfers	**91,309**	--
At 31 December	**2,915,962**	2,394,239

19. PAYABLES AND OTHER LIABILITIES

	2020	2019
	QR	QR
Accounts payable	**154,223,546**	3,385,205
Encashment of bond (Note i)	**59,827,513**	59,827,513
Accrued expenses	**16,494,037**	8,176,305
Deferred rental income	**13,454,167**	12,216,667
Dividends payable	**13,318,703**	14,237,641
Social and sports activities fund contribution (Note 26)	**775,795**	8,281,558
	258,093,761	106,124,889

(i) This balance relates to the bond encashment related to one of the Group's projects before expiry. Once all the works will be completed and confirmed, the related remaining balance will be part of the final settlement with the contractor.

20. OPERATING EXPENSES

Operating expenses mainly include maintenance, security charges, facility management and other operational expenses directly attributable to the properties and projects.

21. FINANCE COST

	2020	2019
	QR	QR
Islamic finance facilities (Note 16)	**34,524,924**	48,279,931
Lease liabilities (Note 17)	**354,976**	492,125
	34,879,900	48,772,056

22. OTHER INCOME

	2020	2019
	QR	QR
Profit from deposits with Islamic banks	**250,674**	252,602
Miscellaneous income	**265,790**	77,840
	516,464	330,442

23. GENERAL AND ADMINISTRATIVE EXPENSES

	2020	2019
	QR	QR
Staff costs	**15,968,488**	12,052,451
Legal and professional expenses	**3,185,174**	3,156,468
Repairs and maintenance*	**1,662,810**	--
Registration and regulatory fees	**922,348**	1,024,314
Marketing and advertising	**434,660**	261,265
Sharia Board fees	**90,000**	90,000
Business development	**23,025**	39,244
Other miscellaneous expenses	**1,099,358**	1,684,191
	23,385,863	18,307,933

* Related to the Group's project in progress' repairs and maintenance expenses.

24. INCOME TAX

	2020	2019
	QR.	QR.
Current income tax		
Current income tax charge	**379,248**	407,487
Deferred tax		
Relating to temporary differences	**--**	--
Income tax included in the statement of profit or loss	**379,248**	407,487

The comparative figure for the income tax expense for the year ended December 31, 2019 of QR. 407,487 was adjusted in the consolidated financial statements of the Group.

25. BASIC AND DILUTED EARNINGS PER SHARE

Basic earnings per share is calculated by dividing the profit for the year attributable to shareholders of the parent by the weighted average number of ordinary shares outstanding during the year as follows:

	2020	2019
	QR	QR
Profit attributable to shareholders of the parent	**31,031,818**	32,095,396
Weighted average number of shares outstanding (excluding treasury shares) during the year	**1,148,693,437**	1,157,625,000
Basic and diluted earnings per share (QR)	**0.03**	0.03

The Group did not issue any bonus shares for the years 2020 and 2019.

The weighted average number of shares for the years ended 31 December 2020 and 2019 has been calculated as follows:

	2020	2019
	QR	QR
Weighted average number of shares at 1 January	**1,157,625,000**	1,157,625,000
Effect of treasury shares purchased	**(8,931,563)**	--
Weighted average number of shares at 31 December	**1,148,693,437**	1,157,625,000

During the year, the Group repurchased 14,030,000 treasury shares, which have been taken into consideration in arriving at the weighted average number of shares for the year.

26. SOCIAL AND SPORTS ACTIVITIES FUND CONTRIBUTION

In accordance with Law No. 13 of 2008, the Group made an appropriation of profit equivalent to 2.5% of the consolidated net profit for the year for the support of sports and social activities.

During the year, the Group had a settlement agreement with The Social and Sport Contribution Fund which resulted in reversing an amount of QR 4,034,614 in the consolidated statement of changes in equity.

27. DIVIDENDS

The Board of Directors have proposed a 3% cash dividend of the Paid up share capital of QR. 0.03 per share amounting to QR. 34,728,750 for the year 2020, which is subject to the approval of the shareholders at the Annual General Assembly (2019: QR. Nil per share).

28. RELATED PARTY BALANCES AND TRANSACTIONS

Related parties represent entities where the Group is one of their founders, major shareholders in the Group, directors and key management personnel of the Group, and entities controlled, jointly controlled or significantly influenced by such parties. Pricing policies and terms of these transactions are approved by the Group's management.

Compensation of key management personnel

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

	2020	2019
	QR	QR
Salaries and short-term benefits	**4,739,068**	4,527,722
Employees' end of service benefits	**99,711**	57,100
	4,838,779	4,584,822

29. COMMITMENTS AND CONTINGENCIES

	2020	2019
	QR	QR
Letter of guarantee	**1,000,000**	--

Litigations and claims

The Group's key project was delayed significantly by its main contractor. The expected completion date of the project was August 8, 2016 and the completion certificate of the project was issued on June 26, 2018.

The Group had assessed the prolongation costs associated with the substantial delay caused by the main contractor throughout the project duration together with the contractual rights for liquidated damages as per the agreement. Accordingly, the Group had appointed an independent assessor to evaluate the validity of claims raised by the main contractor against the Group and the eligibility of the Group for liquidated damages caused by the contract. Further, the Group had obtained advice from its legal counsel on the enforceability of liquidated damages against the main contractor.

During June 2018, based on Group's assessment aided by the independent assessor's evaluation and the Group's legal counsel's advice, the Board of Directors had decided to initiate liquidated damages against the main contractor in accordance with the contractual terms of the agreement between Mazaya Qatar Real Estate Development Q.P.S.C. and the main contractor. Further, the Board of Directors have decided to realize 50% of the initial retention balance of the contract.

The case is still ongoing as at 31 December 2020, as per management's assessment the Group has a good sound position for this case.

As of 31 December 2020, the Group was a party to a number of legal cases as defendant or plaintiff. According to the Group's Legal Counsel best estimates, no material liabilities will arise as a result of these cases and accordingly no provisions have been provided against these cases.

30. FINANCIAL INSTRUMENTS

Significant accounting policies

Details of significant policies and methods adopted including the criteria for recognition for the basis of measurement in respect of each class of financial assets and financial liabilities are disclosed in Note 3 to the consolidated financial statements.

Categories of financial instruments

	Financial assets		**Financial liabilities**		**Fair value hierarchy levels**			
	FVTPL	**Amortised cost**	**FVTPL**	**Amortised cost**	**1**	**2**	**3**	**Total**
	QR	**QR**	**QR**	**QR**	**QR**	**QR**	**QR**	**QR**
31 December 2020								
Islamic bank balances and cash (Note 13)	--	**79,368,669**	--	--	--	--	--	--
Investment securities (Note 9)	**18,705,561**	--	--	--	--	--	**18,705,561**	**18,705,561**
Wakala investments (Note 10)	--	**29,177,197**	--	--	--	--	--	--
Finance lease receivable (Note 11)	--	**1,164,709,484**	--	--	--	--	--	--
Receivables (Note 12)	--	**1,440,170**	--	--	--	--	--	--
Islamic finance facilities (Note 16)	--	--	--	**(756,192,103)**	--	--	--	--
Lease liabilities (Note 17)	--	--	--	**(4,947,438)**	--	--	--	--
Payables (Note 19)	--	--	--	**(228,145,557)**	--	--	--	--

	Financial assets		Financial liabilities		Fair value hierarchy levels			
	FVTPL	Amortised cost	FVTPL	Amortised cost	1	2	3	Total
	QR	QR	QR	QR	QR	QR	QR	QR
31 December 2019								
Islamic bank balances and cash (Note 13)	--	72,709,532	--	--	--	--	--	--
Investment securities (Note 9)	19,638,516	--	--	--	--	--	19,638,516	19,638,516
Wakala investments (Note 10)	--	30,677,197	--	--	--	--	--	--
Finance lease receivables (Note 11)	--	1,193,072,077	--	--	--	--	--	--
Receivables (Note 12)	--	1,934,958	--	--	--	--	--	--
Islamic finance facilities (Note 16)	--	--	--	(793,856,451)	--	--	--	--
Lease liabilities (Note 17)	--	--	--	(7,705,851)	--	--	--	--
Payables (Note 19)	--	--	--	(85,731,917)	--	--	--	--

30. FINANCIAL INSTRUMENTS (CONTINUED)

Categories of financial instruments(Continued)

(a) Fair value measurements

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Valuation techniques and assumptions applied for the purposes of measuring fair value.

1) Fair value measurements recognised in the consolidated statement of financial position

Investment securities of the Group's financial assets are measured at fair value at the end of the reporting period.

(b) Reconciliation of liabilities arising from financing activities

The below table details changes in the Group's liabilities arising from financing activities, including both cash and non-cash changes.

	At 1 January 2020	**Financing cash flows**	**Non cash changes**	**At 31 December 2020**
	QR.	**QR**	**QR**	**QR**
Islamic finance liabilities	**793,856,451**	**(43,813,381)**	**6,149,033**	**756,192,103**
Lease liabilities	**7,705,851**	**(3,113,389)**	**354,976**	**4,947,438**

	At 1 January 2019	Financing cash flows	Non cash changes	At 31 December 2019
	QR.	QR	QR	QR
Islamic finance liabilities	782,007,755	(8,808,360)	20,657,056	793,856,451
Lease liabilities	9,979,426	(2,765,700)	492,125	7,705,851

31. FINANCIAL RISK MANAGEMENT

Risk management framework

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

The Board of Directors are responsible for monitoring compliance with the Group's risk management policies and procedures, and for reviewing the adequacy of the risk management framework in relation to the risks faced by the Group.

The main risks arising from the Groups' financial instruments are market risk, credit risk, real estate risk, profit rate risk and liquidity risk. This note presents information about the Group's exposure to each of the above risks, the Group's objectives, policies and processes for measuring and managing risks, and the Group's management of capital. Further quantitative disclosures are included throughout these consolidated financial statements.

Credit risk

Credit risk is the risk of financial losses to the Group if a customer or counterparty to financial instruments fails to meet its contractual obligations, and arises principally from the Group's other financial asset, finance lease receivables, Wakala investments, trade receivables, refundable deposits and Islamic bank balances.

The Company's current credit risk grading framework comprises the following categories:

Category	**Description**	**Basis for recognising expected credit losses**
Performing	The counterparty has a low risk of default and does not have any past-due amounts	12-month ECL
Doubtful	Amount is >90 days past due or there has been a significant increase in credit risk since initial recognition	Lifetime ECL – not credit-impaired
In default	Amount is >180 days past due or there is evidence indicating the asset is credit-impaired	Lifetime ECL – credit-impaired
Write-off	There is evidence indicating that the debtor is in severe financial difficulty and the Company has no realistic prospect of recovery	Amount is written off

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

	2020	2019
	QR	QR
Finance lease receivable	**1,164,709,484**	1,193,072,077
Wakala investments	**29,177,197**	30,677,197
Islamic bank balances	**79,368,669**	72,709,532
Refundable deposits	**600,525**	550,525
Trade receivable	**163,716**	163,716
Other receivables	**675,929**	1,220,716
	1,274,695,520	1,298,393,763

31. FINANCIAL RISK MANAGEMENT (CONTINUED)

Credit risk (continued)

Trade receivables

Customer credit risk is managed by each business unit subject to the Group's established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on an extensive credit rating scorecard and individual credit limits are defined in accordance with this assessment. Outstanding customer receivables are regularly monitored and necessary measures are taken to collect timely in accordance with established policies.

An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. The provision rates are based on days past due for groupings of various customer segments with similar loss patterns (i.e., by service type, customer type and rating, and coverage by letters of credit or other forms of credit insurance). The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions. The Group has not accounted for any expected credit losses on trade receivables and accrued income as the amounts are considered to be clearly insignificant.

Islamic bank balances

The Group held Islamic bank balances of QR 79,348,669 at 31 December 2020 (2019: QR 72,689,532). The Islamic bank balances are held with bank and financial institution counterparties, which are highly rated, based on internationally accepted credit ratings.

The tables below detail the credit quality of the Group's financial assets, contract assets and financial guarantee contracts, as well as the Group's maximum exposure to credit risk by credit risk rating grades.

31 December 2020	**Note**	**External credit ratings**	**Internal credit ratings**	**12 month or lifetime ECL**	**Gross carrying amount**	**Loss allowance**	**Net carrying amount**
Receivables	12	N/A	i	Lifetime ECL	**2,565,874**	**(1,125,704)**	**1,440,170**
Finance lease receivable	11	N/A	i	Lifetime ECL	**1,164,709,484**	**--**	**1,164,709,484**
Wakala investments	10	N/A	i	Lifetime ECL	**61,354,395**	**(32,177,198)**	**29,177,197**
Islamic bank balances	13	BB	N/A	12-month ECL	**79,368,669**	**--**	**79,368,669**

31 December 2019	Note	External credit ratings	Internal credit ratings	12 month or lifetime ECL	Gross carrying amount	Loss allowance	Net carrying amount
Receivables	12	N/A	i	Lifetime ECL	3,060,662	(1,125,704)	1,934,958
Finance lease receivables	11	N/A	i	Lifetime ECL	1,193,072,077	--	1,193,072,077
Wakala investments	10	N/A	i	Lifetime ECL	61,354,395	(30,677,198)	30,677,197
Islamic bank balances	13	BB	N/A	12-month ECL	72,709,532	--	72,709,532

31. FINANCIAL RISK MANAGEMENT (CONTINUED)

Credit risk (continued)

(i) For receivables, finance lease receivables and wakala investments, the Group has applied the simplified approach in IFRS 9 to measure the loss allowance at lifetime ECL. The Group determines the expected credit losses on these items by using a provision matrix, estimated based on historical credit loss experience based on the past due status of the debtors, adjusted as appropriate to reflect current conditions and estimates of future economic conditions. Accordingly, the credit risk profile of these assets is presented based on their past due status in terms of the provision matrix.

Liquidity risk

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

The Group limits its liquidity risk by ensuring Islamic bank facilities are available. The Groups' terms of service require amounts to be settled within its specified terms in the contracts and invoices. Trade accounts payable are normally settled within the terms of service from the supplier.

The table below summarises the maturities of the Groups' undiscounted financial liabilities at 31 December, based on contractual payment dates and current market interest rates.

As at 31 December 2020	**Less than 3 months QR**	**3 to 12 months QR**	**1 to 5 years QR**	**> 5 years QR**	**Total QR**
Accounts payable	**214,051,059**	--	--	--	**214,051,059**
Lease liabilities	**713,580**	**2,200,428**	**2,033,430**	--	**4,947,438**
Social and sports activities fund contribution	--	**775,795**	--	--	**775,795**
Islamic finance facilities	**15,701,147**	**50,407,221**	**334,396,145**	**355,687,590**	**756,192,103**
Dividends payable	--	**13,318,703**	--	--	**13,318,703**
Total	**230,465,786**	**66,702,147**	**336,429,575**	**355,687,590**	**989,285,098**

As at 31 December 2019	Less than 3 months QR	3 to 12 months QR	1 to 5 years QR	> 5 years QR	Total QR
Accounts payable	63,212,719	--	--	--	63,212,719
Lease liabilities	675,478	2,082,934	4,947,438	--	7,705,850
Social and sports activities fund contribution	--	8,281,558	--	--	8,281,558
Islamic finance facilities	--	176,813,148	617,043,303	--	793,856,451
Dividends payable	--	14,237,641	--	--	14,237,641
Total	63,888,197	201,415,281	621,990,741	--	887,294,219

i.) Market risk

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

31. FINANCIAL RISK MANAGEMENT (CONTINUED)

ii.) Currency risk

Currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Group's exposure to the risk of changes in foreign exchange rates relates primarily to the Group's operating activities.

In the opinion of the management, the Group's exposure to currency risk is minimal as the Group does not have any foreign currency denominated balances due to or due from as of the reporting date.

iii.) Profit rate risk

Profit rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market profit rates**.** The Group adopts a policy of ensuring that profit rates on short term deposits and finance cost rate on Islamic financing borrowings exposures are reviewed monthly, and that finance cost rates are not subject to present fluctuations in profit rates. The Group's policy ensures that most of the exposure on profit rates on borrowings are on a fixed basis or are based on Qatar Central Bank rate REPO rates, unless, the variable basis are in favourable terms to the Group.

Further, the Group does not account for any financial assets and liabilities at fair value through profit or loss, and the Group has not entered into derivative instrument agreements, therefore the changes to Islamic bank profit rates at the reporting date would not adversely affect the profit or loss.

At the reporting date the profile of the Group's profit bearing financial instrument was:

	2020	2019
	QR	QR
Islamic finance facilities	**756,192,103**	793,856,451

The following table demonstrates the sensitivity of equity and profit or loss to reasonably possible changes in profit rates by 25 basis points, with all other variables held constant. The sensitivity of equity and profit or loss is the effect of the assumed changes in profit rates for one year, based on the floating rate financial instruments held at 31 December. The effect of decreases in profit rates is expected to be equal and opposite to the effect of the increases shown.

	Net effect on profit or loss +/- 25b.p
	QR
At 31 December 2020	**1,890,480**
At 31 December 2019	1,984,641

iv.) Real estate risk

The Group has identified the following risks associated with the real estate portfolio:

31. FINANCIAL RISK MANAGEMENT (CONTINUED)

- The cost of the development schemes may increase if there are delays in the planning process. The Group employs experts in the specific planning requirements in the scheme's location in order to reduce the risks that may arise in the planning process, and utilizes the accumulated experience in contracting for the purpose of reducing development costs as compared to the relevant market.
- A major tenant may become insolvent causing a significant loss of rental income and a reduction in the value of the associated property (refer to credit risk). To reduce this risk, the Group reviews the financial status of all prospective major tenants and decides on the appropriate level of security required via rental deposits or guarantees.
- The exposure of the fair values of the portfolio to market and occupier fundamentals.

v.) Other risks

Other risks to which the Group is exposed are regulatory risk, legal risk, and reputational risk. Regulatory risk is controlled through a framework of compliance policies and procedures. Legal risk is managed through the effective use of internal and external legal advisers. Reputational risk is controlled through the regular examination of issues that are considered to have reputational repercussions for the Group with guidelines and policies being issued as appropriate.

Fair value hierarchy

The Group uses the following hierarchy for determining and disclosing the fair value of unquoted equity investment by valuation technique:

Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities;
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 are not based on observable market data.

The fair value of fair value of unquoted equity investment held by the Group are as follows:

	Fair value measurement using			
31 December 2020	**Total**	**Quoted prices in active markets Level 1**	**Significant observable inputs Level 2**	**Significant unobservable inputs Level 3**
	QR	QR	QR	QR
Unquoted equity investment	**18,705,561**	--	--	**18,705,561**
	18,705,561	--	--	**18,705,561**

	Fair value measurement using			
31 December 2019	Total	Quoted prices in active markets Level 1	Significant observable inputs Level 2	Significant unobservable inputs Level 3
	QR	QR	QR	QR
Unquoted equity investment	19,638,516	--	--	19,638,516
	19,638,516	--	--	19,638,516

31. FINANCIAL RISK MANAGEMENT (CONTINUED)

Fair value hierarchy (continued)

During the year ended 31 December 2020, there were no transfers between Level 1 and Level 2 fair value measurements, and no transfers into and out of Level 3 fair value measurements. There were no movements within Level 3 fair value measurements.

32. SEGMENT INFORMATION

The Group has only one business segment, that is investment and development operations of real estate properties. The Group operates mainly in the State of Qatar and United Arab Emirates in Dubai. In 2020, there have been no material Dubai operations that needs to be considered as reportable segment.

33. CAPITAL RISK MANAGEMENT

Management's policy is to maintain a strong capital base so as to maintain the trust of investors and creditors and to sustain future development of the business. The management monitors the capital, which the Group defines as share capital and retained earnings.

The Group manages its capital structure and makes adjustments to it, in light of changes in business conditions and owners' expectations. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders or increase capital. No changes were made in the objectives, policies or processes during the year ended 31 December 2020 and 2019.

The Group's main objectives when managing capital are:

- to safeguard the Group's ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders;
- to provide an adequate return to shareholders by pricing products and services commensurately with the level of risk; and
- to remain within the Group's quantitative banking covenants and attain a strong credit rating.

Further, the Board seeks to maintain a balance between higher targeted returns that might be possible with higher levels of borrowings, and the advantages and security afforded by the strong capital position of the Group.

The Group's net debt to equity ratio at the reporting date was as follows:

	2020	2019
	QR	QR
Total liabilities	**1,022,528,512**	910,488,917
Less: Islamic bank balances and cash	**(79,368,669)**	(72,709,532)
Net debt	**943,159,843**	837,779,385
Total equity	**1,249,483,599**	1,224,176,378
Net debt to equity ratio at 31 December	**75%**	68%

On the other hand, the Board reviews regularly the borrowing to value ratio, which is calculated as the amount of outstanding debt divided by the fair value of investment properties portfolio. The Group's policy is to keep average borrowing to value at a low risk ratio.

33. CAPITAL RISK MANAGEMENT (CONTINUED)

The Group's borrowing to fair value of investment properties ratio at the reporting date is as follows:

	2020	2019
	QR	QR
Islamic finance facilities	**756,192,103**	793,856,451
Fair value of investment properties	**900,098,548**	744,194,358
Borrowing to fair value ratio at 31 December	**84%**	107%

34. COVID-19 IMPACT

The outbreak of Novel Coronavirus continues to disrupt business operations and economic activity globally. The extent and duration of the impacts depend highly on future events that cannot be accurately predicted. As the situation is rapidly evolving, the impact on the Group's activities and operations is uncertain and accordingly management estimates in the measurement of amounts reported in these consolidated financial statements remain sensitive to market fluctuations.

Investment Properties: The Group has considered the impact of Covid 19 on the valuation of investment properties based on the characteristics of the portfolio including diversification across asset categories, location and the nature of secured future cash flow. Refer to Note 6 for additional details on impact of Covid 19 on valuation of investment properties and management consideration.

Expected Credit Losses ("ECL") and impairment of financial assets: The uncertainties caused by COVID-19 have required the Group to reassess the inputs and assumptions used for the determination of expected credit losses ("ECLs") as at 31 December 2020. The Group has updated the relevant forward-looking information with respect to the weightage of the relevant macroeconomic scenarios of the market; increase in credit risk; and assessing the indicators of impairment for the exposures in potentially affected sectors.

Commitments and contingent liabilities: The Group has assessed the impact of any operational disruptions, including any contractual challenges and changes in business or commercial relationships among the Group entities, customers and suppliers, to determine if there is any potential increase in contingent liabilities and commitments.

Going concern: The Group has performed an assessment of whether going concern assumption is appropriate in the light of current economic conditions and all available information about future risks and uncertainties. The projections have been prepared covering the Group's future performance, capital and liquidity. The Group will continue to closely monitor the impact of COVID-19 as the situation progresses to manage the potential business disruption COVID-19 outbreak may have on its operations and financial performance in 2021.