United Development Company Q.P.S.C.

Consolidated financial statements
As at and for the year ended 31 December 2023

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Contents **Page**

United Development Company Q.P.S.C.

Consolidated statement of profit or loss and other comprehensive income for the year ended 31 December 2023

	Note	2023 QR'000	2022 QR'000
Revenue	36	**2,050,661**	1,810,690
Cost of revenue		**(1,364,497)**	(1,115,380)
Gross profit		**686,164**	695,310
Dividend income		**2,579**	38
Other operating income	6	**365,553**	226,338
Fair value gain on investment securities	14	**11,320**	1,670
Reversal of impairment on trade receivables	17	**5,130**	2,283
General and administrative expenses	7	**(342,035)**	(298,452)
Sales and marketing expenses		**(24,387)**	(65,110)
Operating profit		**704,324**	562,077
Fair value loss on investment properties	10	**(132,401)**	(65,596)
Finance income		**107,786**	66,621
Finance costs		**(263,703)**	(164,527)
Net finance costs		**(155,917)**	(97,906)
Net share of results of associate	13	**(4,031)**	(4,118)
Profit before tax		**411,975**	394,457
Income tax	30	**(10,255)**	(3,980)
Net profit for the year		**401,720**	390,477
Other comprehensive income			
Other comprehensive income that will not be reclassified to profit or loss in subsequent periods:			
Revaluation of property		**(3,322)**	-
Other comprehensive loss for the year		**(3,322)**	-
Total comprehensive income for the year		**398,398**	390,477
Net profit for the year attributable to:			
Equity holders of the Parent		**402,065**	388,114
Non-controlling interests		**(345)**	2,363
		401,720	390,477
Total comprehensive income for the year attributable to:			
Equity holders of the Parent		**398,743**	388,114
Non-controlling interests		**(345)**	2,363
		398,398	390,477
Basic/Diluted earnings per share attributable to equity holders of the Parent:			
Basic and diluted earnings per share (QR)	8	**0.114**	0.110

The attached notes from 1 to 36 form part of these consolidated financial statements.

United Development Company Q.P.S.C.

Consolidated statement of financial position as at 31 December 2023

	Note	2023 QR'000	2022 QR'000
Assets			
Non-current assets			
Property, plant and equipment	**9**	**3,504,202**	3,561,834
Investment properties	**10**	**10,432,175**	10,794,047
Right-of-use assets	**11**	**8,810**	8,913
Intangible assets	**12**	**7,105**	3,911
Investment in associates and joint venture	**13**	**16,484**	27,436
Investment securities	**14**	**62,813**	51,493
Accounts and other receivables	**17**	**482,020**	575,438
Deferred costs	**16**	**115,621**	122,037
Total non-current assets		**14,629,230**	15,145,109
Current assets			
Inventories	**15**	**97,507**	101,827
Work in progress		**1,821,456**	1,738,505
Accounts and other receivables	**17**	**1,285,816**	1,870,725
Deferred costs	**16**	**15,123**	14,676
Cash and bank balances	**18**	**1,726,980**	2,029,082
Total current assets		**4,946,882**	5,754,815
Total assets		**19,576,112**	20,899,924
Equity and liabilities			
Equity			
Share capital	**19**	**3,540,862**	3,540,862
Legal reserve	**20**	**1,770,431**	1,770,431
Other reserves	**21**	**1,208,727**	1,212,049
Retained earnings		**4,779,992**	4,582,726
Equity attributable to equity holders of the parent		**11,300,012**	11,106,068
Non-controlling interests		**65,923**	70,688
Total equity		**11,365,935**	11,176,756
Liabilities			
Non-current liabilities			
Loans and borrowings	**24**	**3,842,429**	3,545,201
Accounts and other payables	**25**	**125,889**	105,417
Retention payable	**26**	**31,080**	153,862
Deferred revenue	**27**	**628,980**	650,688
Employees' end-of-service benefits	**28**	**59,175**	54,279
Lease liabilities	**29**	**7,752**	7,544
Total non-current liabilities		**4,695,305**	4,516,991
Current liabilities			
Loans and borrowings	**24**	**1,305,919**	1,828,332
Accounts and other payables	**25**	**1,962,947**	3,228,730
Retention payable	**26**	**176,663**	82,414
Deferred revenue	**27**	**67,227**	64,736
Lease liabilities	**29**	**2,116**	1,965
Total current liabilities		**3,514,872**	5,206,177
Total liabilities		**8,210,177**	9,723,168
Total equity and liabilities		**19,576,112**	20,899,924

These consolidated financial statements were approved by the Board of Directors and signed on their behalf on 7 February 2024 by:

Ibrahim Jassim Al-Othman
President and Chief Executive Officer

Ahmed Ali Al-Hammadi
Chairman of the Board

The attached notes from 1 to 36 form part of these consolidated financial statements.

United Development Company Q.P.S.C.

Consolidated statement of changes in equity for the year ended 31 December 2023

	Attributable to equity-holders of the Parent					Non-	
	Share capital QR'000	Legal reserve QR'000	Other reserves QR'000	Retained earnings QR'000	Total QR'000	controlling interests QR'000	Total equity QR'000
Balance at 1 Jan 2022	3,540,862	1,770,431	1,212,049	4,399,063	10,922,405	75,568	10,997,973
Net profit for the year	-	-	-	388,114	388,114	2,363	390,477
Other comprehensive income for the year	-	-	-	-	-	-	-
Dividend paid (Note 22)	-	-	-	(194,748)	(194,748)	(7,243)	(201,991)
Contribution to Social and Sports Fund (Note 23)	-	-	-	(9,703)	(9,703)	-	(9,703)
Balance at 31 December 2022	**3,540,862**	**1,770,431**	**1,212,049**	**4,582,726**	**11,106,068**	**70,688**	**11,176,756**
Net profit for the year	-	-	-	402,065	402,065	(345)	401,720
Other comprehensive income for the year	-	-	(3,322)	-	(3,322)	-	(3,322)
Dividend paid (Note 22)	-	-	-	(194,748)	(194,748)	(4,420)	(199,168)
Contribution to Social and Sports Fund (Note 23)	-	-	-	(10,051)	(10,051)	-	(10,051)
Balance at 31 December 2023	**3,540,862**	**1,770,431**	**1,208,727**	**4,779,992**	**11,300,012**	**65,923**	**11,365,935**

The attached notes from 1 to 36 form part of these consolidated financial statements.

United Development Company Q.P.S.C.

Consolidated statement of cash flows for the year ended 31 December 2023

	Note	2023 QR'000	2022 QR'000
Operating activities:			
Profit before tax		**411,975**	394,457
Adjustments:			
Net share of results in associates	**13**	**4,031**	4,118
Depreciation	**9**	**127,936**	109,305
Loss on disposal of property, plant and equipment		**5,214**	243
Written off property, plant and equipment		**8,144**	-
Amortisation of intangible assets	**12**	**1,849**	627
Amortisation of right-of-use assets	**11**	**3,129**	3,117
Net finance costs		**155,917**	97,906
Dividend income		**(2,579)**	(38)
Reversal of provision for impairment of trade receivables	**17**	**(5,130)**	(2,283)
Fair value gain on investment securities	**14**	**(11,320)**	(1,670)
Fair value loss on investment properties	**10**	**132,401**	65,596
Provision for employees' end-of-service benefits	**28**	**10,388**	8,311
Operating profit before changes in working capital		**841,955**	679,689
Changes in working capital:			
Inventories		**240,020**	178,983
Work in progress		**(82,951)**	(634,049)
Accounts and other receivables		**683,506**	(70,983)
Accounts and other payables		**(1,252,638)**	(129,958)
Retention payable		**(28,533)**	(58,242)
Deferred revenue and cost, net		**(13,248)**	46,116
Cash generated from operating activities		**388,111**	11,556
Finance costs paid		**(267,672)**	(151,606)
Employees' end-of-service benefits paid	**28**	**(5,492)**	(3,740)
Income tax paid		**(6,867)**	(5,345)
Net cash generated from/ (used in) operating activities		**108,080**	(149,135)
Investing activities:			
Additions to property, plant and equipment	**9**	**(88,182)**	(211,259)
Proceeds from the sale of property, plant and equipment		**1,198**	-
Additions to intangible assets	**12**	**(5,043)**	(2,040)
Finance income received		**96,851**	68,558
Additions to investment properties	**10**	**(6,229)**	(109,293)
Investment in joint venture	**13**	**(1,079)**	-
Principal portion received from lease receivables		**10,851**	-
Movement in time deposits maturing after three months		**(128,185)**	826,858
Dividend received from associate and other investees		**10,579**	6,438
Net cash (used in)/ generated from investing activities		**(109,239)**	579,262
Financing activities:			
Proceeds from loans and borrowings		**913,630**	1,392,270
Repayment of loans and borrowings		**(1,138,815)**	(559,365)
Dividend		**(199,168)**	(201,991)
Repayment of principal portion of lease liabilities		**(2,667)**	(2,985)
Net cash (used in)/ generated from financing activities		**(427,020)**	627,929
Net (decrease)/ increase in cash and cash equivalents		**(428,179)**	1,058,056
Cash and cash equivalents at the beginning of the year	**18**	**1,378,692**	320,636
Cash and cash equivalents at the end of the year	**18**	**950,513**	1,378,692

The attached notes from 1 to 36 form part of these consolidated financial statements.

1. Corporate information and principal activities

United Development Company Q.P.S.C. (the “Company”) (the “Parent”) was incorporated as a Qatari Shareholding Company in accordance with the Emiri Decree No. 2 on 2 February 1999 and whose shares are publicly traded. The registered office of the Company is situated in Doha, State of Qatar and its registered office address is P.O box 7256. The consolidated financial statements of the Group as at and for the year ended 31 December 2023 comprise the Company and its subsidiaries (together referred to as the “Group” and individually as “Group entities”) and the Group’s interest in associates. Information regarding the Group’s structure is provided in Note 4.1.

The principal activity of the Group is to contribute and invest in infrastructure and utilities, urban development, environment related businesses, marina and related services, hospitality and leisure, business management and providing information technology solutions.

Pursuant to the Emiri Decree No 17 of 2004, the Company has been provided with a right to develop an island off the shore of Qatar for the sale and/or lease of properties. The Company is presently engaged in the development of this area known as “The Pearl Qatar Project”. The Pearl Qatar Project involves reclamation of land covering an area of 985 acres (4.2 million square meters) into a manmade island and the development of the island into various districts comprising housing beachfront villas, town homes, luxury apartments, retail shopping complex, penthouses, five-star hotels, marinas and schools with related infrastructure and community facilities.

The consolidated financial statements of the Group for the year ended 31 December 2023 were authorised for issue in accordance with approval of the Board of the Directors on 7 February 2024.

2. Basis of preparation

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

The consolidated financial statements have been prepared on a historical cost basis, except for land categorised as property, plant and equipment, investment securities and investment properties that are presented at fair value in accordance with IFRS.

These consolidated financial statements are presented in Qatari Riyals (QR), which is the Group’s functional currency. All financial information is presented in Qatari Riyals and all values are rounded to the nearest thousands unless and otherwise indicated.

Judgments

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 recognised in the consolidated financial statements:

Revenue recognition for sale of real estate units
In making their judgment, management considered detailed criteria for the recognition of revenue from the sale of real estate units as set out in IFRS 15 *Revenue from contracts with customers*, and in particular, whether the Group had transferred the control of the completed properties to the buyer.

Classification of investment property or inventory
Property is classified as investment property or inventory based on the following criteria:

- Investment property comprises of land and buildings which are not occupied, not held for use by the Group in its operations, nor for sale in the ordinary course of business, but held primarily to earn rental income and capital appreciation;
- Inventory comprises of land and residential properties that are held for sale in the ordinary course of business. Principally these residential properties represent those that the Group develops and intends to sell before or on completion of construction.

2. Basis of preparation (continued)

Judgments (continued)

Transfer of real estate units from inventory to investment properties
The Group sells real estate assets in the ordinary course of business. In the event of an actual change in the use of the property, the carrying amount of real estate assets is transferred to investment properties and any differences between the fair value of a real estate unit and it's carrying amount is recognised in the consolidated statement of profit or loss and other comprehensive income at the date of transfer.

Useful lives of property, plant and equipment and intangible assets
The Group's management determines the estimated useful life of property, plant and equipment and intangible assets for the purpose of determining depreciation. This estimate is determined after considering the expected usage of the asset or its physical wear and tear. Management periodically reviews the estimated useful life and depreciation method of an asset to ensure that the method and the period of depreciation is consistent with the expected pattern of economic benefits associated from the asset.

Impairment of non-financial assets
The carrying amount of Group's non-financial assets (equity accounted investees and property and equipment but not inventories and investment properties) are reviewed at each reporting date to determine whether there is any indication of impairment. The determination of what can be considered impaired requires significant judgement.

Going concern
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 has been profitable, and it had positive net asset (equity), working capital and cash flow positions as at the reporting date.

Lease liabilities - Group as lessee
Management assesses whether contracts entered by the Group for renting various assets contain a lease. The lease identification, including whether or not the Group has contracted to substantially all the economic benefits of the underlying asset, may require significant judgment. Establishing the lease term may also present challenges where a contract has an indefinite term or is subject to auto-renewal or there are renewal options that are unclear if they will be exercised at the option date. The extension of the lease term significantly influences the value of the lease liability and the related right-of-use asset, and arriving at a conclusion sometimes requires significant judgment calls. Furthermore, once the lease term is established, management needs to estimate the future cash flows payable over the lease term and discount them using the incremental borrowing rate that a lessee would have to pay to borrow over a similar term and with a similar security the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. That also requires significant judgment and affects both the finance lease liability and the fair value of the underlying asset.

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

For the residential property leases contracts where lessee has an option to purchase the underlying property at a price that is expected to be sufficiently lower than the fair value at the date the option becomes exercisable, where it is reasonably certain, at the inception date, that the option will be exercised, the Group transfers substantially all the risks and rewards incidental to ownership of these properties and accounts for the contracts as finance leases.

2. Basis of preparation (continued)

Judgments (continued)

Other provisions and liabilities
Other provisions and liabilities are recognised in the period only to the extent management considers it probable that there will be a future outflow of funds resulting from past operations or events and the amount of cash outflow can be reliably estimated. The timing of recognition and quantification of the liability requires the application of judgment to existing facts and circumstances, which can be subject to change. Since the actual cash outflows can take place in subsequent years, the carrying amounts of provisions and liabilities are reviewed regularly and adjusted to take account of changing facts and circumstances. A change in estimate of a recognised provision or liability would result in a charge or credit to profit or loss in the consolidated statement of profit or loss and other comprehensive income in the period in which the change occurs.

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are described below:

Fair value of property (land classified as property plant and equipment and investment property)
The fair value of land and investment property is determined by valuation experts using recognised valuation techniques. These techniques comprise Discounted Cash Flow Method and Market Comparable Method.

Provision of slow-moving and obsolete inventories
Inventories are held at lower of cost and net realisable value. When inventories become old or obsolete, an estimate is made of their net realisable value. For individually significant amounts, this estimation is performed on an individual basis. Amounts which are not individually significant, but which are old or obsolete, are assessed collectively and a provision applied according to the inventory type and the degree of aging or obsolescence, based on historical realisable value.

Impairment of receivables
The Group uses an expected credit loss (ECL) impairment model to determine the impairment of receivables. This impairment model requires forward looking information, which is based on assumptions for the future movement of different economic drivers and how these drivers will affect each other. It also requires management to assign probability of default to various categories of receivables. Probability of default constitutes a key input in measuring the ECL and entails considerable judgement; it is an estimate of the likelihood of default over a given time horizon, the calculation of which includes historical data, assumptions and expectations of future conditions.

3. Changes in accounting policies and disclosures

3.1 New and amended standards and interpretations adopted by Group

The accounting policies adopted in the preparation of the consolidated financial statements are consistent with those followed in the preparation of the Group's consolidated financial statements for the year ended 31 December 2022, except for certain standards and amendments applied by the Group for the first-time, which are effective for annual periods beginning on or after 1 January 2023 (unless otherwise stated). The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

- IFRS 17: Insurance contracts
- Amendments to IAS 1: Classification of Liabilities as Current or Non-current
- Amendments to IAS 8: Definition of Accounting Estimates
- Amendments to IAS 1 and IFRS Practice Statement 2: Disclosure of Accounting Policies
- Amendments to IAS 12: Deferred Tax related to Assets and Liabilities arising from a Single Transaction

The adoption of the above amended and improved standards had no impact on the consolidated financial statements of the Group.

3. Changes in accounting policies and disclosures (continued)

3.2 Standards issued but not yet effective

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

Standard/Amendment	Effective date
Amendments to IFRS 16: Lease Liability in a Sale and Leaseback	1 January 2024
Amendments to IAS 1: Classification of Liabilities as Current or Non-current	1 January 2024
Supplier Finance Arrangements - Amendments to IAS 7 and IFRS 7	1 January 2024

The Group is currently assessing the impact of these amendments.

4. Material accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these consolidated financial statements and have been applied consistently by the Group's entities.

4.1 Basis of consolidation

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

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

Generally, there is a presumption that majority of voting rights result in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee
- Rights arising from other contractual arrangements
- The Group's voting rights and potential voting rights.

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. 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 financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income (OCI) 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. 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.

Non-controlling interests represent the portion of profit or loss and net assets not held by the Group and are presented separately in the consolidated statement of profit or loss and within equity in the consolidated statement of financial position, separately from the parent shareholders' equity.

4. Material accounting policies (continued)

4.1 Basis of consolidation (continued)

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 related assets (including goodwill), liabilities, non-controlling interest and other components of equity while any resultant gain or loss is recognised in profit or loss. Any investment retained is recognised at fair value. If the Group retains any interest in the previous subsidiary, then such interest is measured at fair value at the date that the control is lost. Subsequently it is accounted for as an equity accounted investee or fair value through profit or loss investment depending on the level of the influence retained.

The financial statements of the subsidiaries are prepared for the same reporting year as the parent company, using consistent accounting policies. The consolidated financial statements include the financial statements of the Parent and its subsidiaries listed in the following table:

		% equity interest	
Name of the entity	Country of incorporation	2023	2022
Qatar District Cooling Company Q.C.S.C.	Qatar	91.06	91.06
Ronautica Middle East W.L.L.	Qatar	100	100
The Pearl Qatar Company W.L.L.	Qatar	100	100
Hospitality Development Company W.L.L.	Qatar	100	100
The Pearl Souvenir Trading W.L.L.	Qatar	100	100
Madina Centrale Company W.L.L.	Qatar	100	100
Abraj Al-Mutahida Company W.L.L.	Qatar	100	100
United Facilities Management Company W.L.L.	Qatar	100	100
Scoop Media and Communication Company W.L.L.	Qatar	100	100
Pragmatech Company W.L.L.	Qatar	100	100
Glitter W.L.L.	Qatar	100	100
Insure Plus W.L.L.	Qatar	100	100
Madina Innova W.L.L.	Qatar	100	100
The Pearl Owners Corporation W.L.L.	Qatar	100	100
United Development Investment Company	Cayman Island	100	100
United Technology Solution W.L.L.	Qatar	100	100
Resorts and Leisure Company W.L.L.	Qatar	100	100
United School International W.L.L.	Qatar	51	51
Proman LLC	Qatar	100	100
United Medical Company W.L.L.	Qatar	65	65
United District Energy International L.L.C.	Qatar	99	99

Qatar District Cooling Company Q.C.S.C. (“Qatar Cool”) is a material partly owned subsidiary of the Group and is engaged in the construction, owning and operation of district cooling systems. It consolidates Installation Integrity 2006 W.L.L. (100%) and Cool Tech Qatar W.L.L. (100%) in its consolidated financial statements.

During the year ended 31 December 2021, the Group completed acquisition of the shares in Qatar Cool allotted to them from National Central Cooling Company (an Emirati company), which increased the Group’s equity interest in Qatar Cool from 51% to 91.06%.

Accumulated balance of non-controlling interests disclosed in the consolidated statement of financial position as at 31 December 2023 includes QR 84.6 million relating to 8.94% equity interest in Qatar Cool that is not owned by the Group (2022: QR 77.6 million relating to 8.94%). Profit allocated to non-controlling interests for the year ended 31 December 2023 amounted to QR 11.5 million (2022: QR 10.1 million).

4. Material accounting policies (continued)

4.1 Basis of consolidation (continued)

The summarised financial information of this subsidiary, prior to intercompany eliminations, is provided below:

	2023 QR'000	2022 QR'000
Profit for the year	**128,370**	111,164
Total assets	**2,390,048**	2,378,380
Total liabilities	**1,417,921**	1,487,541
Total equity	**972,126**	890,839

Ronautica Middle East W.L.L. is involved in the operation of marina and sale of marine related equipment. During 2008, the capital of Ronautica Middle East W.L.L. was increased from QR 30 million to QR 100 million. The increase in capital was fully paid by the Group, which increased its equity interest from 60% to 88%. During 2009, the Group purchased the non-controlling interest of Ronautica Middle East W.L.L., which increased its equity interest from 88% to 100%.

The Pearl Qatar Company W.L.L's activity is real estate investments.

Hospitality Development Company W.L.L. (HDC) is engaged in the investment and management of restaurants and sales and purchases of fast-moving consumer goods in the hospitality sector. HDC consolidates Lebanese Restaurants Development L.L.C (100%), Flavours of Mexico L.L.C (100%), The Rising Sun L.L.C (95.68%), Wafflemeister Restaurant L.L.C (100%), Isla Mexican Kitchen W.L.L. (100%), Arabesque Restaurant W.L.L.(100%), The Circle Café W.L.L. (100%), Chocolate Jar W.L.L. (100%), Bread and Crumbs W.L.L. (100%) and Shirvan Metisse Doha Restaurant W.L.L. (100%) in its consolidated financial statements.

United Fashion Company W.L.L. was engaged in fashion retailing. The mandate of the Company was to acquire top international names for brand franchising and operating in the Middle East. The Company was renamed as The Pearl Souvenir Trading W.L.L.

Medina Centrale Company W.L.L. is engaged in the investment of real estate properties.

Abraj Al-Mutahida Company W.L.L's activity is in the development of real estate properties. During 2016, the name of the company was changed from "Abraj Quartier Company" to "Abraj Al-Mutahida".

United Facilities Management Company W.L.L. was engaged in facility management activity. The Company ceased operations during 2017.

Scoop Media and Communication Company W.L.L. activity is in the advertising sector.

PragmaTech Company W.L.L. activity is in providing information technology solutions. During the year 2012, a decision was taken to close this company's branch in Lebanon.

Glitter W.L.L.'s activity is to provide cleaning related services. The Company ceased operations during 2016.

Insure plus W.L.L.'s activity is an insurance agency and providing technical and risk related services. The Company ceased operations during 2016.

Madina Innova W.L.L. is engaged in providing registry and master community services at the Pearl Qatar.

The Pearl Owners Corporation W.L.L. is engaged in property management support services.

United Development Investment Company is engaged in development and investment of real estate activities.

United Technology Solutions W.L.L. is engaged in providing information technology solutions.

4. Material accounting policies (continued)

4.1 Basis of consolidation (continued)

Resorts and Leisure Company W.L.L.'s activity is in the operation and development of hotels and resorts.

United School International W.L.L's ("USI") activity is in the management and operation of schools. Accumulated balance of non-controlling interests disclosed in the consolidated statement of financial position as at 31 December 2023 includes QR 19 million loss relating to 49% equity interest in USI that is not owned by the Group (2022: QR 7.2 million). Loss allocated to non-controlling interests for the year ended 31 December 2023 amounted to QR 11.7 million (2022: QR 7.7 million).

Proman L.L.C.'s activity is in the management of operations and support services.

United Medical Company W.L.L.'s ("UMC") activity is in the management and operation of hospitals.

United District Energy International L.L.C.'s activity is investment in infrastructure projects.

4.2 Business combinations and goodwill

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred measured at acquisition date fair value and the amount of any non-controlling interest in the acquiree. For each business combination, the Group elects whether to measure the non-controlling interest in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred and included in administrative expenses.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquirer. If the business combination is achieved in stages, the previously held equity interest is remeasured at its acquisition date fair value and any resulting gain or loss is recognised in profit or loss.

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of IFRS 9 *Financial Instrument: Recognition and Measurement*, is measured at fair value with changes in fair value recognised either in profit or loss or as a change to other comprehensive income. If the contingent consideration that is classified as equity is not remeasured, subsequent settlement is accounted for within equity.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interest over the net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group re-assesses whether it has correctly identified all its assets acquired and all of the liabilities assumed and reviews the procedures used to measure amounts to be recognised at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, the gain is recognised in profit or loss.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

Where goodwill has been allocated to a cash-generating unit and part of the operation within that unit is disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed in these circumstances is measured based on the relative values of the disposed operation and the portion of the cash-generating unit retained.

4. Material accounting policies (continued)

4.3 Investment in associates

Associates are those entities in which the Group has a significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control over those policies.

The Group's investments in its associates are accounted for under the equity method of accounting. Under the equity method, the investment in associate is initially recognised at cost. The carrying amount of the investment is adjusted to recognise the change in the Group's share of net assets of the associate since the acquisition date. Goodwill relating to the associate is included in the carrying amount of the investment and is not tested for impairment individually.

The consolidated statement of profit or loss reflects the Group's share of the results of operations of the associate. Any change in other comprehensive income of those investees is presented as part of the Group's other comprehensive income. In addition, when there has been a change recognised directly in the equity of the associate, the Group recognises its share of any changes, when applicable, in the consolidated statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and the associate are eliminated to the extent of the interest in the associate. The financial statements of the associates are prepared for the same reporting period as the Group. When necessary, adjustments are made to bring the accounting policies in line with those of the Group.

When the Group's share of losses exceeds its interest in an associate, the carrying amount of that interest, including any long-term investments, is reduced to zero, and the recognition of further losses is discontinued except to the extent that the Group has an obligation or has made payments on behalf of the investee.

Upon loss of the significant influence over the associate, the Group measures and recognises any retained investments at its fair value. Any differences between the carrying amount of the associate upon loss of significant influence and the fair value of retained investments and proceeds from disposal is recognised in the consolidated statement of profit or loss.

4.4 Transactions eliminated upon consolidation

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions are eliminated in preparing these consolidated financial statements. Unrealised gains arising from transactions with equity-accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

4.5 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the executive decision makers. The executive decision makers, who are responsible for the allocation of resources and assessing the performance of operating segments, have been identified as the Board of Directors.

4.6 Revenue recognition

Type of service	Nature, timing and satisfaction of performance obligations, significant payment terms	Revenue Recognition
Annual capacity fees	These are one-time non-refundable fees charged to customers on the service commencement date as per the service agreement. This is fully collected from the customer in advance on the service commencement date.	Revenue and related costs are recognised over the term of the contract with the customers.

4. Material accounting policies (continued)

4.6 Revenue recognition (continued)

Type of service	Nature, timing and satisfaction of performance obligations, significant payment terms	Revenue Recognition
Sale of Energy Transfer Stations (ETS)	ETS are installed at the customer's premises in order to receive cooling services. This is a one-time fee charged to the customers on date of substantial completion of the ETS and is fully collected from the customer in advance.	Revenue and related costs are recognised over the term of the contract with the customers.
Revenue from the sale of completed properties (land, townhouses, apartments and villas)	These are revenue from sale of properties such as land, townhouses, apartments and villas. The Group's performance obligation is satisfied when hand over certificate of the property is provided to the buyer.	Revenue is recognised when the control of the completed properties is transferred to the buyer.
Service charges	These are income arising from recovering the cost of providing maintenance activities to properties.	Revenue is recognised over the corresponding period.
Fee income	These are revenue arising from management services provided to properties.	Revenue is recognised upon rendering of service.
Rental income	These are revenue arising from leasing retail and residential units.	Revenue is recognised monthly based on the period of contract.
Revenue from sale of goods	These are arising from provision of food and beverage services at restaurants	Revenue is recognised when control over the goods is transferred to the buyer.

4.7 Property, plant and equipment

Recognition and measurement
Items of property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses. Land is measured at fair 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 labour, any other costs directly attributable to bringing the assets to the working condition for their intended use, the costs of dismantling and removing the items and restoring the site on which they are located, and capitalised borrowing costs. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment. When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Any revaluation surplus is recognised in other comprehensive income and presented in the revaluation reserve under Other Reserve in equity, except to the extent that it reverses a revaluation decrease of the same asset previously recognised in profit or loss, in which case the increase is recognised in the consolidated statement of profit or loss. A revaluation deficit is recognised in the consolidated statement of profit or loss, except where the deficit directly offsets a previous surplus on the same asset which is directly offset against the surplus in the asset revaluation reserve.

4. Material accounting policies (continued)

4.7 Property, plant and equipment (continued)

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment, and are recognised net within other income in the consolidated statement of profit or loss. When revalued assets are sold, the amounts included in the revaluation reserve are transferred to retained earnings.

Valuations are performed frequently enough to ensure that the fair value of the revalued assets do not differ materially from their carrying value.

Reclassification to investment properties
When the use of a property changes from owner-occupied to investment property, the property is re-measured to fair value and reclassified as investment property. Property that is being constructed for future use as investment property is accounted for at fair value. Any gain arising on re-measurement is recognised in profit or loss to the extent the gain reverses a previous impairment loss on the specific property, with any remaining gain recognised in other comprehensive income and presented in the revaluation reserve in equity. Any loss is recognised in other comprehensive income and presented in the revaluation reserve in equity to the extent that an amount had previously been included in the revaluation reserve relating to the specific property, with any remaining loss recognised immediately in profit or loss.

Subsequent costs
The cost of replacing a part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Group, and its cost can be measured reliably. The carrying amount of the replaced part is derecognised. When significant parts of property, plant and equipment are required to be replaced at intervals, the Group recognises such parts as individual assets with specific useful lives and depreciates them accordingly. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if recognition criteria are met. All other repair and maintenance costs are recognised in profit or loss as incurred.

Depreciation
Depreciation is calculated over the depreciable amount, which is the cost of an asset, or other amount substituted for cost, less its residual value. Depreciation is recognised in profit or loss on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment, since this most closely reflects the expected pattern of consumption of the future economic benefits embodied in the asset. Land is not depreciated.

The estimated useful lives for the current and comparative periods are as follows:

Buildings, plant and facilities	10 – 50 years
Building improvements	3 – 7 years
Furniture, fixtures, equipment and instruments	3 – 7 years
Motor vehicles and boats	5 – 8 years

Depreciation methods, useful lives and residual values are reviewed at each financial year-end and adjusted as appropriate.

4.8 Intangible assets

The Group recognises intangible assets arising from corporate branding, a brand strategy development arrangement where it has the right to charge for usage of brand strategy, development cost of technical know-how and computer software. These intangible assets are measured at cost upon initial recognition. Following initial recognition, the intangible asset is measured at cost, less accumulated amortisation and accumulated impairment losses. Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and brands, is recognised in the profit or loss as incurred.

4. Material accounting policies (continued)

4.8 Intangible assets (continued)

Computer software which is not an integral part of hardware is recognised as an intangible asset and is amortised over its estimated useful life of 5 years as determined by the Group's management. Corporate branding and brand strategy development cost is amortised over its estimated useful life of between 8 and 12 years as determined by the Group's management. Development cost of technical know-how is amortised over its estimated useful life of 5 years as determined by the Group management. Amortisation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

4.9 Capital work–in-progress

The cost of capital work-in-progress consists of the contract value, directly attributable costs of developing and bringing the project assets to the location and condition necessary for them to be capable of operating in the manner intended by management. The costs of capital work-in-progress will be transferred to tangible and intangible non-current asset classifications when these assets reach their working condition for their intended use. The carrying values of capital work in progress 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.

4.10 Investment properties

Investment property comprises completed property and property under construction or re-development held either to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes. Investment property is measured at cost on initial recognition and subsequent to the initial recognition, investment property is stated at fair value with gains or losses arising from changes in fair value included in the consolidated statement of profit or loss in the year which they arise.

Cost includes expenditure that is directly attributable to the acquisition of investment property. The cost of self-constructed investment property includes the cost of materials and direct labour and any other costs directly attributable to bringing the investment property to a working condition for their intended use. Any gain or loss on disposal of an investment property (calculated as the difference between the net proceeds from disposal and the carrying amount of the item) is recognised in the consolidated statement of profit or loss. When an investment property that was previously classified as property, plant and equipment is sold, any related amount included in the revaluation reserve is transferred to retained earnings.

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

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

Transfers are made to investment property when and only when, there is a change in use, evidenced by the end of the owner occupation or commencement of an operating lease. Transfers are made from investment or commencement of an operating lease.

4.11 Borrowing costs

The Group capitalises borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset as part of the cost of that asset. For the purpose of determining interest available for capitalisation, the costs related to these borrowings are reduced by any investment income on the temporary investment of the borrowings. The capitalisation of borrowing costs will cease once the asset is ready for its intended use. All other interest is recognised in the consolidated statement of profit or loss.

4. Material accounting policies (continued)

4.12 Financial instruments

Recognition and initial measurement

Trade receivables and debt securities issued are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Group becomes a party to the contractual provisions of the instrument.

A financial asset or financial liability is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition or issue.

Classification and subsequent measurement

Financial assets

On initial recognition, a financial asset is classified as measured at: amortised cost; at fair value through other comprehensive income (FVTOCI); or at fair value through profit or loss (FVTPL).

Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

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

On initial recognition of an equity investment that is not held for trading, the Group may irrevocably elect to present subsequent changes in the investment's fair value in OCI. This election is made on an investment-by-investment basis.

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. On initial recognition, the Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

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

- the stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest-rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realising cash flows through the sale of the assets;
- how the performance of the portfolio is evaluated and reported to the Group's management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- how managers of the business are compensated – e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

4. Material accounting policies (continued)

4.12 Financial instruments (continued)

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

Financial assets that are held for trading or are managed and whose performance is evaluated on a fair value basis are measured at FVTPL.

Financial assets – Assessment whether contractual cash flows are solely payments of principal and interest
For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a period and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin. In assessing whether the contractual cash flows are solely payments of principal and interest, the Group considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Group considers:

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

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

Financial assets - Subsequent measurement and gains and losses

At FVTPL	These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.
At amortised cost	These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.
At FVTOCI	These assets are subsequently measured at fair value. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are never reclassified to profit or loss.

Financial liabilities - Classification, subsequent measurement and gains and losses

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

4. Material accounting policies (continued)

4.12 Financial instruments (continued)

Derecognition

Financial assets

The Group derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Group neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

The Group enters into transactions whereby it transfers assets recognised in its consolidated statement of financial position but retains either all or substantially all risks and rewards of the transferred assets. In these cases, the transferred assets are not derecognised.

Financial liabilities

The Group derecognises a financial liability when its contractual obligations are discharged or cancelled or expired. The Group also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value. Upon derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in profit or loss.

4.13 Offsetting

Financial assets and financial liabilities are offset, and the net amount presented in the consolidated statement of financial position when, and only when, the Group currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

4.14 Impairment

Non-derivative financial assets

The Group recognises loss allowances for Expected Credit Losses (ECLs) on financial assets measured at amortised cost. The Group measures loss allowances at an amount equal to lifetime ECLs.

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

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment and including forward-looking information.

As a practical expedient, the Group calculates ECL on trade receivables using a provision matrix. The Group use its historical credit loss experience for trade receivables to estimate the lifetime expected credit losses. The provision matrix uses fixed provision rates depending on the number of days that a trade receivable is past due. The Group considers a financial asset to be in default when the customer is unlikely to pay their credit obligations to the Group in full, without recourse by the Group to actions such as realising security (if any is held).

4. Material accounting policies (continued)

4.14 Impairment (continued)

Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument. 12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months). The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.

Measurement of ECLs

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Group expects to receive). ECLs are discounted at the effective interest rate of the financial asset.

Credit-impaired financial assets

At each reporting date, the Group assesses whether financial assets carried at amortised cost are credit impaired. A financial asset is 'credit impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:
- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default or being more than 365 days past due; or
- it is probable that the borrower will enter bankruptcy or other financial reorganisation.

Presentation of impairment

Provision for impairment on trade receivables is deducted from gross carrying value of trade receivables and impairment losses relating to trade receivables are separately presented in the consolidated statement of profit or loss and other comprehensive income.

Write-off

The gross carrying amount of a financial asset is written off when the Group has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. The Group individually makes an assessment with respect to the timing and amount of write-off based on whether there is a reasonable expectation of recovery. The Group expects no significant recovery from the amount written off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's procedures for recovery of amounts due.

Non-financial assets

At each reporting date, the Group reviews the carrying amounts of its non-financial assets to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

For impairment testing, assets are grouped together into the smallest group of assets that generate cash inflows from continuing use that are largely independent of the cash inflows of other assets or Cash Generating Units (CGUs). The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU.

4. Material accounting policies (continued)

4.14 Impairment (continued)

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its recoverable amount. Impairment losses are recognised in profit or loss. They are allocated to reduce the carrying amounts of the other assets in the CGU on a pro rata basis.

An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation, if no impairment loss had been recognised.

4.15 Inventories and work in progress

Inventories are measured at the lower of cost or net realisable value. The cost of inventories is based on the weighted average principle, and includes expenditure incurred in acquiring the inventories and other costs incurred in bringing them to their existing location and condition. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and estimated cost necessary to make the sale.

Properties which are being developed and constructed for sale in the ordinary course of business are classified as work in progress until construction or development is complete. The cost of work-in-progress consists of the contract value, directly attributable costs of developing and bringing the project assets to the location and condition necessary for them to be capable of operating in the manner intended by management.

4.16 Cash and cash equivalents

Cash and cash equivalents consist of cash, bank balances and short-term original deposits with original maturities of three months or less from the acquisition date that are subject to an insignificant risk of changes in their fair value, net off bank overdrafts, less restricted balances (declared unclaimed dividend), if any.

4.17 Share capital

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

4.18 Employees' end of service benefits

Provision is made for amounts payable in respect of employees' end of service benefits based on contractual obligations or respective local labour laws of the group entities, whichever is higher, and is calculated using the employee's salary and period of service at the reporting date.

National employees
In addition, with respect to national employees, the Group makes contributions to the government pension fund to the respective local regulatory authorities as a percentage of the employees' salaries in accordance with the requirements of respective local laws pertaining to retirement and pensions, wherever required.

4.19 Provisions

Provisions are recognised when the Group has an obligation (legal or constructive) arising from a past event, and the costs to settle the obligation are both probable and reliably measured.

Provisions are measured at present value of expenditure expected to be required to settle the obligation at the end of the reporting period, using the rate that reflect the current market assessments of the time value of money and the risk specific to the obligation.

4. Material accounting policies (continued)

4.19 Provisions (continued)

Provisions are reviewed at each statement of financial position date and adjust to reflect the current best estimate. If it is no longer probable that an out-flow resource embodying economic benefits will be required to settle the obligation the provision is reversed.

Onerous contracts
Present obligation arising under onerous contracts are recognised and measured as provisions. An onerous contract is considered to exist where the Group has a contract under which the unavoidable cost of meeting the obligation under the contract exceed the economic benefits expected to be received from the contract.

4.20 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 recognised in the consolidated financial statements but disclosed when inflow of economic benefits is probable.

4.21 Foreign currency translation

Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency. Transactions in foreign currencies are initially recorded at the functional currency rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency rate of exchange ruling at the reporting date. All differences are recognised in the profit or loss apart from differences on foreign currency borrowings that provide a hedge against a net investment in a foreign entity. These are taken directly to equity until the disposal of the net investment, at which time they are recognised in the profit or loss. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the date of the initial transaction.

Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Any goodwill arising on the acquisition of a foreign operation and any fair value adjustments to the carrying amounts of assets and liabilities arising on the acquisition are treated as assets and liabilities of the foreign operation and translated at the closing rate.

4.22 Current versus non-current classification

The Group presents assets and liabilities in the consolidated statement of financial position based on current/non-current classification.

An asset is classified as current when it is:
- Expected to be realised or intended to sold or consumed in the normal operating cycle;
- Held primarily for the purpose of trading; or
- Expected to be realised within twelve months after the reporting period, or cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is classified as current when:
- It is expected to be settled in normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current.

4. Material accounting policies (continued)

4.23 Discontinued operations

A discontinued operation is a component of the Group's business that represents a separate geographical area of operations that has been disposed of or is held for sale. Classification as a discontinued operation occurs upon disposal or when the operation meets the criteria to be classified as held-for-sale.

Assets and liabilities of discontinued operations are considered as disposal groups and classified as held-for-sale. Impairment loss on initial classification to held-for-sale and subsequent gain or loss on re-measurement are recognised in profit or loss.

The disposal group is re-measured in accordance with the Group's accounting policies immediately before classification as held-for-sale. Therefore, generally the disposal group is measured at the lower of carrying amount and fair value less costs to sell. When an operation is classified as a discontinued operation, the comparative consolidated statement of profit or loss and other comprehensive income is re-presented as if the operation had been discontinued from the start of the comparative year.

4.24 Cash dividend and non-cash distribution to equity holders of the parent

The Company recognises a liability to make cash or non-cash distributions to equity holders of the parent when the distribution is authorised, and the distribution is no longer at the discretion of the Company. As per the Qatar Commercial Companies' Law No. 11 of 2015 whose certain provisions were subsequently amended by Law No.8 of 2021, a distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity. Non-cash distributions are measured at the fair value of the assets to be distributed with fair value remeasurement recognised directly in equity. Upon distribution of non-cash assets, any difference between the carrying amount of the liability and the carrying amount of the assets distributed is recognised in the consolidated statement of profit or loss.

4.25 Leases

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

The Group as a lessee

At commencement or on modification of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices. However, for the leases of property, the Group has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of property, plant and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate.

4. Material accounting policies (continued)

4.25 Leases (continued)

The Group determines its incremental borrowing rate by obtaining interest rates from external financing sources and makes certain adjustments to reflect the terms of the lease and type of the assets leased.

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

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee; and
- the exercise price under a purchase option that the Group is reasonably certain to exercise, lease payments in an optional renewal period if the Group is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Group is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, or if the Group changes its assessment of whether it will exercise a purchase, extension or termination option of if there is a revised in-substance fixed lease payment.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

<u>Short-term leases and leases of low-value assets</u>

The Group has elected not to recognise right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

The Group as a lessor

A lease is an agreement whereby the lessor conveys to the lessee, in return for a payment or series of payments, the right to use an asset for an agreed period of time.

Leases in which a significant portion of the risk and rewards of ownership are retained by the lessor are classified as operating leases. Under an operating lease, the asset is included in the consolidated statement of financial position as property, plant and equipment. Lease income is recognised over the term of the lease on a straight-line basis. This implies the recognition of deferred income when the contractual day rates are not constant during the initial term of the lease contract.

Leases in which a significant portion of the risk and rewards of ownership are transferred to the lessee are classified as finance leases. They are initially recognised as finance lease receivables on the consolidated statement of financial position at the present value of the minimum lease payments (the net investment in the lease) receivable from the lessee over the period of the lease. Over the lease term, each lease payment made by the lessee is allocated between the finance lease receivables and finance income in the consolidate statement of profit or loss so as to achieve a constant rate on the finance lease receivable balance outstanding.

4. Material accounting policies (continued)

4.26 Fair value measurement

'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 in the principal or, in its absence, the most advantageous market to which the Group has access at that date. The fair value of a liability reflects its non-performance risk.

Number of the Group's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities. When one is available, the Group measures the fair value of an instrument using the quoted price in an active market for that instrument. A market is regarded as 'active' if transactions for the asset or liability take place with adequate frequency and volume to provide pricing information on an ongoing basis.

If there is no quoted price in an active market, then the Group uses valuation techniques that maximise the use of relevant observable inputs and minimise the use of unobservable inputs. The chosen valuation technique incorporates all factors that market participants would take into account in pricing a transaction.

If an asset or a liability measured at fair value has a bid price and an ask price, then the Group measures assets and long positions at a bid price and liabilities and short positions at an ask price.

The best evidence of the fair value of a financial instrument on initial recognition is normally the transaction price - i.e. the fair value of the consideration given or received. If the Group determines that the fair value on initial recognition differs from the transaction price and the fair value is evidenced neither by a quoted price in an active market for an identical asset or liability nor based on a valuation technique for which any unobservable inputs are judged to be insignificant in relation to the measurement, then the financial instrument is initially measured at fair value adjusted to defer the difference between the fair value on initial recognition and the transaction price. Subsequently, that difference is recognised in profit or loss on an appropriate basis over the life of the instrument but no later than when the valuation is wholly supported by observable market data or the transaction is dosed out.

4.27 Income tax

Income tax expense comprises current and deferred tax. It is recognised in profit or loss except to the extent that it relates to a business combination, or items recognised directly in equity or OCI.

Current tax

Current tax comprises the expected tax payable on the taxable profit for the year, adjusted for any corrections to the tax payable of previous years. It is calculated on the basis of the tax laws enacted (Income Tax Law No. 24 of 2018 and Ministerial Decision No. 39 of 2019) or substantively enacted at the reporting date in the State of Qatar. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation.

If applicable tax regulation is subject to interpretation and there is uncertainty over a treatment chosen by the Company that it is not probable that the tax authority will accept, it establishes a provision where appropriate on the basis of amounts expected to be paid to the tax authorities. Provisions made in respect of uncertain tax positions are re-assessed whenever circumstances change or there is new information that affects the previous judgements and estimates.

4. Material accounting policies (continued)

4.27 Income tax (continued)

Deferred tax

Deferred tax is recognised in respect of temporary differences arising between the carrying amounts in the financial statements of a Group entity and their respective amounts used for tax purposes

Deferred income tax is not recognised for:
- temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profits;
- temporary differences related to investments in subsidiaries, to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and
- taxable temporary differences arising on the initial recognition of goodwill.

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

Deferred tax assets are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled using tax rates based on tax laws that have been enacted (Income Tax Law No. 24 of 2018 and Ministerial Decision No. 39 of 2019) or substantially enacted at the reporting date in the State of Qatar.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income tax assets and liabilities relate to income taxes levied by the same taxation authority on the Group where there is an intention to settle the balances on a net basis.

5. Financial risk management

The Group’s principal financial liabilities comprise loans and borrowings, retention payable, lease liabilities, income tax liability and accounts and other payables. The main purpose of these financial liabilities is to finance the Group’s operations and to provide guarantees to support its operations. The Group has trade and other receivables, investment securities and cash and short-term deposits that arrive directly from its operations.

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 and the Group's activities. The Group, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Group audit committee oversees how management monitors compliance with the Group's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Group. The Group audit committee is assisted in its oversight role by internal audit. Internal audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the audit committee.

The Group has exposure to credit risks, liquidity risks and market risks from its use of financial instruments. Quantitative disclosures are included throughout these consolidated financial statements. The Board of Directors has the overall responsibility for the establishment and oversight of the Group’s risk management framework.

5. Financial risk management (continued)

Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Group's receivables from customers and investment securities.

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

Properties sold are subject to retention of title clauses, so that in the event of non-payment the Group may have a secured claim. The Group does not require additional collateral in respect of accounts and other receivables.

Accounts receivables are stated at original invoice amount less a provision for any uncollectible amounts. An estimate for doubtful debts is made when collection of the full amount is no longer probable. Bad debts are written off when there is no possibility of recovery.

Liquidity risk

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

The Group uses activity-based costing to cost its products and services, which assists it in monitoring cash flow requirements and optimising its cash return on investments. Typically, the Group ensures that it has adequate cash on demand to meet expected operational expenses, including the servicing of financial obligations; this excludes the potential impact of extreme circumstances that cannot reasonably be predicted, such as natural disasters.

Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Group's income or the value of its holdings of financial instruments.

Currency risk

The Group is exposed to currency risk on sales, purchases and borrowings that are denominated in a currency other than the respective functional currency of Group entities. Majority of the Group's transactions are denominated in the functional currency of the Group's entities or currencies with a fixed exchange rate to the functional currency.

Equity price risk

The Group monitors equity securities based on the market indices. Material investments are managed by the Group on individual basis, and all buy and sell decisions are approved by the Board of Directors. The equity securities performance is actively monitored and managed on a fair value basis.

5. Financial risk management (continued)

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of change in market interest rates. The Group's exposure to the risk of change in the market interest rate relates primarily to the Group's interest-bearing loans and borrowings. The Group adopts a policy of ensuring that interest rate exposures are reviewed regularly.

Capital management

The capital structure of the Group comprises of issued capital, reserves and retained earnings. The Board of Directors' policy is to maintain a strong capital base to maintain investor, creditor and market confidence and to sustain future development of the business. The Board of Directors seek to maintain a balance between the higher returns that might be possible with higher levels of borrowings and the advantages and security afforded by a sound capital position.

The Group objectives when managing capital are:

- to safeguard the Group's ability to continue as going concern, so that it can continue to provide return 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 ensure that it meets financial covenants attached to the interest bearing loans and borrowings.

6. Other operating income

	2023 **QR'000**	2022 QR'000
Fee income	**-**	26,360
Sundry income	**365,553**	199,978
	365,553	226,338

7. General and administrative expenses

	2023 **QR'000**	2022 QR'000
Payroll and related expenses	**137,818**	130,582
Depreciation and amortization	**61,342**	41,806
Rent	**1,060**	955
Professional expenses	**34,799**	36,428
Directors' remuneration	**11,299**	10,868
Others	**95,717**	77,813
	342,035	298,452

8. Basic and diluted earnings per share

Basic and diluted earnings per share is calculated by dividing the net profit for the year attributable to equity holders of the parent by the weighted average number of shares outstanding during the year. There were no instruments or items that could cause a dilutive effect on the earnings per share calculation.

	2023	2022
Profit for the year attributable to equity holders of the Parent (QR'000)	**402,065**	388,114
Weighted average number of outstanding shares during the year ('000)	**3,540,862**	3,540,862
Basic and diluted earnings per share (QR)	**0.114**	0.110

9. Property, plant and equipment

	Land QR'000	Building QR'000	Boats QR'000	Plant facilities QR'000	Furniture, fixtures, equipment, instruments and building improvements QR'000	Motor vehicles QR'000	Capital work in progress QR'000	Total QR'000
Cost or Valuation:								
1 January 2022	1,007,955	270,424	7,406	2,179,273	369,683	8,027	253,191	4,095,959
Additions	-	-	25	122,194	33,153	1,168	54,719	211,259
Reclassification	-	238,082	-	66,946	-	-	(305,028)	-
Transfer from work in progress	-	94,017	-	-	-	-	-	94,017
Transfer from inventories	-	308,142	-	7,021	-	-	-	315,163
Disposals	-	-	-	(350)	(429)	(819)	-	(1,598)
31 December 2022	1,007,955	910,665	7,431	2,375,084	402,407	8,376	2,882	4,714,800
Additions	-	11,815	346	58,240	15,392	1,594	795	88,182
Revaluation	(3,322)	-	-	-	-	-	-	(3,322)
Impairment	-	-	-	(13,159)	-	-	-	(13,159)
Disposals	-	-	-	(8,987)	(4,419)	(3,617)	-	(17,023)
31 December 2023	1,004,633	922,480	7,777	2,411,178	413,380	6,353	3,677	4,769,478
Accumulated depreciation:								
1 January 2022	-	93,657	6,506	637,500	300,294	7,059	-	1,045,016
Charge	-	20,839	171	70,338	17,408	549	-	109,305
Disposals	-	-	-	(119)	(417)	(819)	-	(1,355)
31 December 2022	-	114,496	6,677	707,719	317,285	6,789	-	1,152,966
Charge	-	39,635	125	70,750	16,677	749	-	127,936
Impairment	-	-	-	(5,015)	-	-	-	(5,015)
Disposals	-	-	-	(3,462)	(4,398)	(2,751)	-	(10,611)
31 December 2023	-	154,131	6,802	769,992	329,564	4,787	-	1,265,276
Net book value:								
31 December 2022	1,007,955	796,169	754	1,667,365	85,122	1,587	2,882	3,561,834
31 December 2023	**1,004,633**	**768,349**	**975**	**1,641,186**	**83,816**	**1,566**	**3,677**	**3,504,202**

Fair value of land is determined primarily based on valuations carried out by professionally qualified third-party valuation companies that are members of a professional valuers' associations and have the appropriate qualifications and experience in valuing these types of properties. The valuation was mainly determined using the market comparable approach (classified as Level 3 of the fair value hierarchy) in accordance with RICS valuation standards, adopting the IFRS basis of fair value and using established principles and valuation techniques.

9. Property, plant and equipment (continued)

The depreciation charge has been disclosed in the consolidated statement of profit or loss as follows:

	2023 QR'000	2022 QR'000
Cost of revenue	**71,289**	71,085
General and administrative expenses	**56,647**	38,220
	127,936	109,305

10. Investment properties

	2023 QR'000	2022 QR'000
Balance at 1 January	**10,794,047**	9,822,212
Additions during the year	**6,229**	109,293
Transfers (to) / from inventories, net	**(235,700)**	357,028
Transfers from work in progress	**-**	571,110
Fair value loss	**(132,401)**	(65,596)
Balance at 31 December	**10,432,175**	10,794,047

The Group leases out its investment properties. The Group has classified these leases as operating leases as they do not transfer substantially all risks and rewards incidental to the ownership of the assets. Rental income recognised by the Group in respect of these leases during the year is QR 330 million (2022: QR 331 million).

Maturity analysis of leases due based on undiscounted lease amounts receivable after the reporting date are as follows:

	2023 QR'000	2022 QR'000
Less than one year	**327,414**	315,813
Between one to two years	**207,330**	193,994
Between two to three years	**130,081**	116,339
Between three to four years	**87,286**	72,056
Between four to five years	**63,701**	55,471
More than five years	**315,299**	329,279
	1,131,111	1,082,952

Fair value of the investment properties is determined primarily based on valuations carried out by professionally qualified third-party valuation companies that are members of a professional valuers' associations and have the appropriate qualifications and experience in valuing these types of investment properties. The valuation was mainly determined using the market comparable approach and discounted cash flow method (classified as Level 3 of the fair value hierarchy) in accordance with RICS valuation standards, adopting the IFRS basis of fair value and using established principles and valuation techniques.

Discounted cash flow model considers the present value of net cash flows to be generated from the property considering the expected rental growth rate, void periods, occupancy rate and rent-free periods. The expected net cash flows are discounted using risk adjusted discount rates. Among other factors the discount rate estimation considers the quality of a building and its location, tenant credit quality and lease terms.

Average expected market rental growth considered in the valuations is on the basis of IMF inflation projections ranging from 2% to 2.3% (2022: 1.48% to 3.31%) average expected occupancy rate ranges from 47% to 100% (2022: 41% to 100%) and risk adjusted discount rate from 7.38% to 8.02% (2022: 7.25% to 7.93%).

10. Investment properties (continued)

Incremental impact on the estimated fair values based on discounted cash flow method due to 1% change in the above input factors, with all other variables held constant, is as follows:

	Incremental effect on fair value 2023		Incremental effect on fair value 2022	
	Sensitivity level +1% QR'000	**Sensitivity level -1% QR'000**	Sensitivity level +1% QR'000	Sensitivity level -1% QR'000
Discount rate	**(679,231)**	**746,103**	(723,596)	658,904
Rental growth rate	**105,789**	**(105,813)**	61,604	(187,096)
Occupancy rate	**121,613**	**(124,742)**	69,104	(194,496)

11. Right-of-use assets

	2023 QR'000	2022 QR'000
Balance at 1 January	**8,913**	11,698
Additions	**3,026**	332
Depreciation for the year	**(3,129)**	(3,117)
Balance at 31 December	**8,810**	8,913
Classified under asset class:		
Building	**8,480**	7,212
Motor vehicles	**330**	1,701
	8,810	8,913

12. Intangible assets

	Branding QR'000	**Goodwill QR'000**	**Operating software QR'000**	**Others QR'000**	**Total QR'000**
Cost:					
At 1 January 2022	14,255	8,867	10,839	2,814	**36,775**
Additions	-	-	694	1,346	**2,040**
At 31 December 2022	14,255	8,867	11,533	4,160	**38,815**
Additions	-	-	4,308	735	**5,043**
At 31 December 2023	14,255	8,867	15,841	4,895	**43,858**
Amortisation and impairment:					
At 1 January 2022	14,154	8,867	8,576	2,680	**34,277**
Charge for the year	-	-	568	59	**627**
At 31 December 2022	14,154	8,867	9,144	2,739	**34,904**
Charge for the year	-	-	1,666	183	**1,849**
At 31 December 2023	14,154	8,867	10,810	2,922	**36,753**
Net book value:					
At 31 December 2022	101	-	2,389	1,421	3,911
At 31 December 2023	**101**	**-**	**5,031**	**1,973**	**7,105**

13. Investment in associates and joint venture

	2023 QR'000	2022 QR'000
United Readymix W.L.L.	**16,128**	27,436
Diarona District Energy Limited	**356**	-
	16,484	27,436

Details of the investment in associates and joint venture held during the years ended 31 December 2023 and 31 December 2022 were as follows.

Name of investment	Place of incorporation and operation	Proportion of ownership and voting power held	Principal activities
United Readymix W.L.L.	State of Qatar	32% directly	Engaged in the production and sale of ready-mix concrete and other building materials
Diarona District Energy Limited	Kingdom of Saudi Arabia	33.3% directly	To bid for a government cooling infrastructure project

The movements in investment in associates and a joint venture are as follows:

	2023 QR'000	2022 QR'000
Balance at 1 January	**27,436**	37,954
Additions	**1,079**	-
Share of loss for the year	**(4,031)**	(4,118)
Dividend received	**(8,000)**	(6,400)
Balance at 31 December	**16,484**	27,436

Following table represents the summarised financial information of the Group's investment in United Readymix W.L.L.

	2023 QR'000	2022 QR'000
Share of associate's results in the statement of financial position:		
Non-current assets	**5,255**	6,687
Current assets	**30,607**	35,690
Non-current liabilities	**(1,270)**	(1,555)
Current liabilities	**(18,464)**	(13,386)
Net assets	**16,128**	27,436
Share of associate's results in the statement of profit or loss:		
Revenue	**22,836**	37,501
Loss for the year	**(3,416)**	(4,118)

14. Investment securities

	2023 QR'000	2022 QR'000
Balance at 1 January	**51,493**	49,823
Fair value gain/during the year	**11,320**	1,670
Balance at 31 December recognised as FVTPL	**62,813**	51,493
Quoted shares inside Qatar	**29,158**	29,796
Quoted shares outside Qatar	**33,655**	21,697
	62,813	51,493

15. Inventories

	2023 QR'000	2022 QR'000
Land and properties held for trading	**65,553**	65,554
Energy transfer stations	**6,996**	9,618
Material and spare parts	**17,355**	17,381
Food, beverage and consumables	**7,603**	9,274
	97,507	101,827

16. Deferred costs

These represent costs incurred in respect of connection revenue and one-time capacity revenue that is recognised on a straight-line basis over the term of the contracts with the customers.

17. Accounts and other receivables

	2023 QR'000	2022 QR'000
Non-current:		
Accounts receivable	**294,153**	548,644
Finance lease receivables	**160,879**	-
Long term deposits	**25,583**	25,354
Deferred tax asset (Note 30)	**1,405**	1,440
	482,020	575,438
Current:		
Accounts receivable, net	**900,673**	932,076
Advances to contractors	**312,657**	317,614
Finance lease receivables	**20,664**	-
Prepayments and accruals	**31,409**	22,717
Others	**20,413**	598,318
	1,285,816	1,870,725

Accounts receivable are presented net of impairments, movement during the year is as follows:

	2023 QR'000	2022 QR'000
Balance at 1 January	**125,813**	128,694
Reversal of provision for impairment during the year	**(5,130)**	(2,283)
Write-off during the year	**(15,206)**	(598)
Balance at 31 December	**105,477**	125,813

Note 34 on credit risk explains how the Group manages and measures credit quality of the accounts receivable.

18. Cash and bank balances

	2023 **QR'000**	2022 QR'000
Cash in hand and bank balances	**557,325**	788,650
Time deposits	**1,169,655**	1,240,432
Total cash and bank balances	**1,726,980**	2,029,082
Less: Declared unclaimed dividend	**(15,378)**	(17,486)
Less: Time deposits with original maturities greater than 90 days	**(761,089)**	(632,904)
Cash and cash equivalents	**950,513**	1,378,692

19. Share capital

At the reporting date, share capital represents 3,540,862,500 authorised, issued and fully paid ordinary shares of QR 1 each.

20. Legal reserve

In accordance with the Qatar Commercial Companies Law No.11 of 2015 whose certain provisions were subsequently amended by Law No.8 of 2021, 10% of the profits for the year are transferred to legal reserve. Management may discontinue such transfers when the reserve totals to 50% of the paid-up share capital. The reserve is not available for distribution, except in the circumstances as stipulated by the Qatar Commercial Companies Law No.11 of 2015 whose certain provisions were subsequently amended by Law No.8 of 2021. In 2006, the Company capitalised QR 57.3 million from the legal reserve in order to issue bonus shares for the year 2005.

21. Other reserves

These represent revaluation reserve which is used to recognise increase in the fair value of property, plant and equipment that were subject to fair valuation. Decrease in fair value is recognised in the reserve only to the extent it relates to an increase in fair value of the same asset previously recognised in equity.

22. Proposed dividend

The Board of Directors proposed a cash dividend of 5.5% of share capital (QR 0.055 per share) amounting to QR 194.7 million for the year 2023 which is subject to approval of the shareholders at the annual general meeting.

On 6 March 2023, the Company held its annual general meeting for the year 2022 which, among other things, approved cash dividend of 5.5% of share capital (QR 0.055 per share) amounting to QR 194.7 million.

23. Social and sports fund

Qatar Law No.13 of 2008 requires all Qatari listed shareholding companies to pay 2.5% of their net profit to a Social and Sports Fund. Pursuant to this Law and further clarifications issued in 2010, the Group has made an appropriation of QR 10.1 million for the year ended 31 December 2023 (2022: QR 9.7 million).

24. Loans and borrowings

	2023 **QR'000**	2022 QR'000
Loans and borrowings	**5,172,654**	5,396,636
Unamortised costs associated with raising finance	**(24,306)**	(23,103)
	5,148,348	5,373,533

24. Loans and borrowings (continued)

Presented as:	**2023** **QR'000**	2022 QR'000
Non-current liability	**3,842,429**	3,545,201
Current liability	**1,305,919**	1,828,332
	5,148,348	5,373,533

Details of the Group's loans and borrowings are as follows. The loans carry interest at variable rates of Qatar Central Bank repo rate plus margin.

- In January 2015, the Group obtained a loan facility of US$ 165.3 million from a local bank which is repayable by semi-annual instalments commencing March 2015 up to September 2024, with US$ 155.8 million repaid as at reporting date. The loan is secured against plant and equipment and chiller plant, apart from revenue from the chiller plant and insurance proceeds assigned in favour of the lender.

- In January 2015, the Group obtained a loan facility of US$ 86 million from a local bank out of which US$ 72.5 million was drawn down. The loan is repayable by semi-annual instalments commencing September 2017 up to September 2026, with US$ 49.5 million repaid as at reporting date. The loan is secured against plant and equipment and chiller plant, apart from revenue from the chiller plant and insurance proceeds assigned in favour of the lender.

- In March 2021, the Group obtained a loan facility of QR 195 million for construction of a plant facility out of which QR 146 million is drawn down as at reporting date. The loan is repayable by quarterly instalments commencing June 2023 up to May 2036 and is secured against the property under development.

- In March 2020, the Group renewed a facility for QR 728 million from a local bank which is fully repayable in March 2024. This loan is currently under the process of renewal.

- In July 2013, the Group obtained a project facility for QR 1,546 million from a local bank which was fully repaid during the year.

- In June 2014, the Group obtained a Musharaka facility for QR 770 million from a local bank out of which QR 715 million was drawn down. The loan is repayable in quarterly instalments from December 2018 to September 2026, with QR 421 million repaid as at reporting date. The loan is secured against a commercial property.

- In December 2016, the Group obtained project finance for QR 730 million from a local bank out of which QR 628 million is drawn down as at reporting date. The loan is repayable in quarterly instalments June 2021 to December 2032, with QR 436 million repaid as at reporting date. The loan is secured against a residential property.

- In August 2020, the Group renewed a revolving facility for QR 765 million from a local bank which was fully repaid during the year.

- In July 2019, the Group obtained syndicated loan facility from local banks for QR 1.25 billion for development of mixed-use properties out of which QR 1,114 million is drawn down as at reporting date. The loan is repayable from June 2024 to December 2030 and is secured against the mixed-use properties under development.

- In March 2020, the Group obtained Ijarah facility for QR 363 million from a local bank mainly for the development of residential properties. The loan is repayable in quarterly instalments from June 2023 to March 2030 and is secured against the residential properties under development.

- In September 2023, the Group increased its corporate facility to QR 2 billion from a local bank which is repayable in annual installments from August 2025 to August 2040 and is secured against a mixed-use property.

24. Loans and borrowings (continued)

- In April 2020, the Group obtained Murabaha facility for QR 175 million from a local bank mainly for the development of residential properties out of which QR 171 million is drawn down as at reporting date. The loan is repayable in semi-annual instalments from May 2023 to May 2029 and is secured against the property under development.

- In April 2020, the Group obtained Murabaha facility for QR 200 million from a local bank for development of a commercial property out of which QR 193 million is drawn down as at reporting date. The loan is repayable in semi-annual instalments from May 2023 to May 2029 and is secured against the property under development.

- In January 2021, the Group obtained Murabaha facility for QR 105 million from a local bank for the development of a commercial property out of which QR 105 million is drawn down as at reporting date. The loan is repayable in semi-annual instalments from May 2023 to May 2029 and is secured against the property under development.

- In May 2023, the Group obtained credit facility for QR 72.8 million for development of a new hospital project out of which QR 30.5 million is drawn down as at reporting date. The loan is repayable from June 2024 to March 2033 and is secured against the property under development.

Repayment profile of the principal amounts of the Group's loans and borrowings are as follows:

	2023 QR'000	2022 QR'000
Within one year	**1,309,491**	1,833,326
Between two and five years	**2,069,105**	1,202,360
More than five years	**1,794,058**	2,360,950
	5,172,654	5,396,636

The Group has capitalised directly attributable borrowing costs of QR 73.9 million during the year to work in progress (2022: QR 41.3 million).

Cash flows from loans and borrowings represent net drawdown of loans in the consolidated statement of cash flows as follows:

	At 1 January QR'000	**Cash flows QR'000**	**Issue costs amortisation QR'000**	**At 31 December QR'000**
2023	**5,373,533**	**(223,982)**	**(1,203)**	**5,148,348**
2022	4,533,223	832,904	7,406	5,373,533

25. Accounts and other payables

	2023 QR'000	2022 QR'000
Non-current:		
Master community reserve fund	**125,889**	105,417
Current:		
Accounts payable	**109,778**	192,210
Accrued contract costs	**193,925**	372,696
Advances received from customers	**456,682**	1,654,851
Amounts due to related parties (Note 31)	**5,899**	8,139
Other accruals	**712,813**	720,604
Income tax payable	**7,503**	4,150
Other liabilities	**476,347**	276,080
	1,962,947	3,228,730

26. Retention payable

Retention payable represents amounts withheld from payments to contractors as per contractual terms. These amounts are payable upon completion of work and satisfactory discharge of obligations by the relevant contractors.

	2023 QR'000	2022 QR'000
Amounts due for settlement within one year	**176,663**	82,414
Amounts due for settlement after one year	**31,080**	153,862
	207,743	236,276

27. Deferred revenue

Deferred revenue represents connection fees and one-time capacity revenues that will be recognised in the consolidated statement of profit or loss on a straight-line basis over the term of the contracts with customers. Related direct costs are recognised into the consolidated statement of profit or loss at the same time (Note 16).

28. Employees' end-of-service benefits

	2023 QR'000	2022 QR'000
Balance at 1 January	**54,279**	49,708
Charge for the year	**10,388**	8,311
Payments during the year	**(5,492)**	(3,740)
Balance at 31 December	**59,175**	54,279

29. Lease liabilities

	2023 QR'000	2022 QR'000
At 1 January	**9,509**	12,162
Additions	**3,026**	332
Lease payments during the year	**(3,157)**	(3,598)
Interest expense on lease liabilities	**490**	613
Balance at 31 December	**9,868**	9,509
Presented as:		
Non-current liability	**7,752**	7,544
Current liability	**2,116**	1,965
	9,868	9,509

30. Income tax

The income tax expenses in the consolidated statement of profit or loss is as follows:

	2023 QR'000	2022 QR'000
Change in estimates related to prior year	**75**	19
Income tax expense for the current year	**10,145**	4,165
Deferred income tax	**35**	(204)
	10,255	3,980

30. Income tax (continued)

The tax on the Group entities profit before tax differs from the theoretical amount that would arise using the applicable tax rates as follows:

	2023 QR'000	2022 QR'000
Profit before tax	**411,975**	394,457
Tax exempt profit	**(310,525)**	(352,803)
Profit subject to tax	**101,450**	41,654
Effective tax rate	**10%**	10%
Tax calculated based on current tax rate	**10,145**	4,165
Change in estimates related to prior year	**75**	19
Tax effect on expenses and provisions not deductible for tax purpose	**35**	(204)
Income tax expense	**10,255**	3,980

Deferred tax asset represents temporary tax differences on the following assets at the reporting date:

	2023 QR'000	2022 QR'000
Property, plant and equipment	**439**	508
End of service benefits	**130**	38
Others	**836**	894
	1,405	1,440

31. Related party transactions

Note 4 provides information about the Group structure including subsidiaries and associates. During the year, certain transactions have occurred with related parties on the same commercial terms and conditions as non-related parties. Pricing policies and terms of these transactions are approved by the Group's management.

Balances with related parties and nature of significant transactions and amounts involved are as follows:

	2023 QR'000	2022 QR'000
Due to Orbital Doha Limited (Other related party) (Note 25)	**(5,899)**	(8,139)
Transactions with related parties		
Revenue	**-**	36,003
Rental income	**-**	72

Details of compensation and remuneration to key management personnel are as follows:

	2023 QR'000	2022 QR'000
Salaries and other short-term employee benefits	**57,394**	46,984
Post-employment benefits	**3,158**	4,700
	60,552	51,684

Directors' remuneration provided for the year 2023 is QR 11.3 million included in the general and administrative expenses.

32. Contingent liabilities

	2023 QR'000	2022 QR'000
Bank guarantees and bonds	**13,062**	5,746

The Group anticipates that no material liability will arise from the above guarantees which are issued in the ordinary course of business.

There is a court case between the Company and a developer wherein the developer filed a case against the Company and the Company filed a counterclaim against the developer each seeking compensation for recovery of costs incurred and damages suffered. The case was substantially decreed in favour of the Company, however, the developer's claim regarding costs incurred was decreed in favour of the developer which was appealed by the Company. Based on the assessment of the Company's lawyers, no material additional liability is expected to arise from this case.

33. Capital commitments

	2023 QR'000	2022 QR'000
Contractual commitments to contractors and suppliers	**1,342,605**	1,511,269

34. Financial instruments and risk management

Accounting policies for financial assets and liabilities are set out in Note 4.

Financial instruments consist of cash and bank balances, accounts receivable, other receivables, due from related parties, loans and borrowings, retention payables, lease liabilities and accounts and other payables.

Credit risk

Credit risk is the risk of financial loss to the Company if a counterparty to a financial instrument fails to meet its contractual obligations. The Company's exposure to credit risk is influenced mainly by the individual characteristics of each counterparty. The Company's maximum exposure to credit risk as at the reporting date is the carrying amount of its financial assets, which are the following:

	2023			2022		
	Not credit impaired QR'000	**Credit impaired QR'000**	**Total QR'000**	Not credit impaired QR'000	Credit impaired QR'000	Total QR'000
Accounts receivable	**1,194,826**	**105,477**	**1,300,303**	1,480,720	125,813	1,606,533
Other receivables	**227,539**	**-**	**227,539**	623,672	-	623,672
Cash and bank balances	**1,726,980**	**-**	**1,726,980**	2,029,082	-	2,029,082
	3,149,345	**105,477**	**3,254,822**	4,133,474	125,813	4,259,287

34. Financial instruments and risk management (continued)

Credit risk (continued)

Ageing of the accounts receivable and impairments are as follows:

	2023		2022	
	Gross carrying amount QR'000	**Provision for impairment QR'000**	Gross carrying amount QR'000	Provision for impairment QR'000
Not due	**783,226**	**768**	1,177,504	-
Past due for 1 to 90 days	**127,370**	**2,717**	133,958	5,318
Past due for 91 to 180 days	**48,985**	**10,269**	52,289	12,498
Past due for 181 to 365 days	**192,321**	**7,926**	46,773	9,382
Past due for more than 365 days	**148,401**	**83,797**	196,009	98,615
	1,300,303	**105,477**	1,606,533	125,813

The accounts receivable from property sales represents the receivables related to the sale of land and property units against which the title to the underlying property is held as a security. The management considers the value of the underlying property when assessing ECL provision.

Amounts due from related parties are dues from counterparties that are under the control of the shareholders of the Company. As a result, ECL on these receivables is expected to be minimal.

Other receivables are expected to be recovered in full and therefore management does not expect collection loss. As a result, ECL on other receivables is expected to be minimal.

The Company limits its exposure to credit risk from accounts and other receivables by:
- evaluating the creditworthiness of each counter-party prior to entering into contracts;
- establishing maximum payment periods for each customer, which are reviewed regularly; and
- periodically reviewing the collectability of its trade receivables for identification of any impaired amounts.

The Company uses an allowance matrix to measure the ECLs of its trade receivables from individual customers. The ECLs are probability-weighted estimate of the present value of credit losses that are measured as the present value of the difference between the cash flows due to the Group under respective contracts and the cash flows the Group expects to receive arising from the weighting of multiple present and future economic factors.

Cash and bank balances are not credit impaired as ECL is expected to be insignificant. At the reporting date, the Group's cash balances are held with reputed banks that are independently rated by credit rating agencies, details as follows:

	2023 QR'000	2022 QR'000
Credit rating		
A2	**243,654**	216,416
A3	**946,969**	1,138,220
Aa3	**383,084**	673,855
Ba2	**86,740**	-
Other	**66,533**	591
	1,726,980	2,029,082

34. Financial instruments and risk management (continued)

Liquidity risk

The following are the contractual maturities of non-derivative financial liabilities and the impact of netting agreements. As at the reporting date, carrying amounts are approximately equal to their respective contractual cash flows.

	Less than one year	Between 2 – 5 years	More than 5 years	Total
31 December 2023:				
Loans and borrowings	**1,309,491**	**2,069,105**	**1,794,058**	**5,172,654**
Accounts and other payables	**1,042,807**	**125,889**	**-**	**1,168,696**
Retention payables	**176,663**	**31,080**	**-**	**207,743**
Due to related parties	**5,899**	**-**	**-**	**5,899**
Lease liabilities	**2,116**	**7,752**	**-**	**9,868**
Income tax liabilities	**7,503**	**-**	**-**	**7,503**
	2,544,479	**2,233,826**	**1,794,058**	**6,572,363**
31 December 2022:				
Loans and borrowings	1,833,326	1,202,360	2,360,950	5,396,636
Accounts and other payables	677,635	105,417	-	783,052
Retention payables	82,414	153,862	-	236,276
Due to related parties	8,139	-	-	8,139
Lease liabilities	1,965	7,544	-	9,509
Income tax liabilities	4,150	-	-	4,150
	2,607,629	1,469,183	2,360,950	6,437,762

Market risk

Interest rate risk
At the reporting date, interest rate profile and carrying amounts of the Group's interest-bearing financial instruments were as follows:

	2023 QR'000	2022 QR'000
Fixed and variable rate instruments		
Time deposits	**1,169,655**	1,240,432
Term loans	**(5,148,348)**	(5,373,533)

Interest rate sensitivity analysis
If interest rates had been 100 basis points higher/lower and all other variables were held constant, the Group's profit for the year ended 31 December 2023 would decrease/increase by QR 40.5 million (2022: QR 27.5 million).

Currency risk
Currency risk is the risk that the value of financial instruments will fluctuate due to changes in foreign exchange rates. All time deposits are designated in Qatar Riyals. The Group's exposure towards currency risk is minimal as majority of the foreign currency financial assets and liabilities are denominated in currencies that are pegged to the Qatari Riyal.

Equity price risk
Equity price risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), where those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market.

Equity price sensitivity analysis
A 10% increase/decrease in equity prices, with all other variables held constant, would cause a decrease/increase of QR 6.3 million in the Group's profit for the year ended 31 December 2023 (2022: QR 5.1 million).

35. Fair values of assets and financial instruments

Financial assets consist of investment securities, cash and bank balances, financial assets at fair value through profit or loss and receivables. Financial liabilities consist of loans and borrowings, payables, and accrued expenses.

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. Differences can therefore arise between book value under historical cost method and fair value estimates.

Fair value hierarchy

The Company uses the following hierarchy for determining and disclosing the fair value of financial instruments 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 management considers the carrying amounts of the financial assets and financial liabilities recognised in the consolidated financial statements are approximate to their fair values. The entire portfolio of investment securities (Note 14) is classified as Level 1, property, plant and equipment (Note 9) and investment properties (Note 10) are classified under Level 3. There were no transfers between Level 1 and Level 2 fair value measurements during the year.

36. Operating segments

The Group has four reportable segments, as described below, which are the Group’s strategic business units. The strategic business units offer different products and services and are managed separately because they require separate business strategies. For each of the strategic business units, the Group reviews internal management reports on a regular basis. The following summary describes the operations in each of the Group’s reportable segments:

Reportable segment	Nature of operations
Urban development	Real estate development and construction activities
Hospitality and leisure	Investment and development of hotel, leisure facilities and selling of luxurious items
Infrastructure and utilities	Construction and management of district cooling systems and marina activities
Other operations	Providing information technology solutions and other services

The accounting policies of the reportable segments are the same as described in note 4.

Information regarding the results of each reportable segment is included below. Performance is measured based on segment profit, as included in the internal management reports that are reviewed by the Management. Segment profit is used to measure performance as management believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries. Inter-segment pricing is determined on an arm’s length basis.

36. Operating segments (continued)

	Urban development QR'000	Hospitality and leisure QR'000	Infrastructure and utilities QR'000	Others QR'000	Inter-segment elimination QR'000	Total QR'000
2023:						
Real estate revenue	**1,264,007**	**-**	**-**	**-**	**(36,546)**	**1,227,461**
Capacity charges	**-**	**-**	**346,579**	**-**	**(42,271)**	**304,308**
Consumption & ETS sale	**-**	**-**	**168,773**	**-**	**-**	**168,773**
Marina operations	**-**	**-**	**38,307**	**-**	**-**	**38,307**
Food and beverage sale	**-**	**48,993**	**-**	**-**	**-**	**48,993**
Others	**-**	**-**	**-**	**347,555**	**(84,736)**	**262,819**
Total revenue	**1,264,007**	**48,993**	**553,659**	**347,555**	**(163,553)**	**2,050,661**
Finance income	**71,939**	**7**	**25,934**	**9,906**	**-**	**107,786**
Finance costs	**(245,744)**	**(288)**	**(26,483)**	**(18,436)**	**27,248**	**(263,703)**
Depreciation and amortisation	**(27,237)**	**(6,285)**	**(70,970)**	**(16,193)**	**(12,229)**	**(132,914)**
Net share of results in associates	**-**	**-**	**-**	**(4,031)**	**-**	**(4,031)**
Income tax	**(6,543)**	**-**	**(2,525)**	**(1,187)**	**-**	**(10,255)**
Profit/(loss) for the year	**557,577**	**(55,196)**	**129,719**	**20,758**	**(251,138)**	**401,720**
Segment assets	**17,645,794**	**44,373**	**2,463,944**	**1,193,766**	**(1,771,765)**	**19,576,112**
Segment liabilities	**7,102,622**	**209,595**	**1,408,904**	**661,956**	**(1,172,900)**	**8,210,177**

36. Operating segments (continued)

	Urban development QR'000	Hospitality and leisure QR'000	Infrastructure and utilities QR'000	Others QR'000	Inter-segment elimination QR'000	Total QR'000
2022:						
Real estate revenue	1,110,962	-	-	-	(35,879)	1,075,083
Capacity charges	-	-	279,584	-	-	279,584
Consumption & ETS sale	-	-	196,150	-	(25,455)	170,695
Marina operations	-	-	40,546	-	-	40,546
Food and beverage sale	-	39,652	-	-	-	39,652
Others	-	-	-	271,690	(66,560)	205,130
Total revenue	1,110,962	39,652	516,280	271,690	(127,894)	1,810,690
Finance income	52,126	8	11,787	2,700	-	66,621
Finance costs	(154,904)	(191)	(18,217)	(5,594)	14,379	(164,527)
Depreciation and amortisation	(25,908)	(2,817)	(70,804)	(5,216)	(8,304)	(113,049)
Net share of results in associates	-	-	-	(4,118)	-	(4,118)
Income tax	(1,149)	-	(1,990)	(841)	-	(3,980)
Profit/(loss) for the year	296,657	(27,316)	113,947	17,327	(10,138)	390,477
Segment assets	19,080,355	53,700	2,485,079	1,156,666	(1,875,876)	20,899,924
Segment liabilities	8,817,610	163,732	1,512,382	649,427	(1,419,983)	9,723,168

Geographical segments

The Group has not diversified its activities outside of the State of Qatar except for United Development Investment Company (established in Cayman Island), which does not have any material operations outside Qatar. Majority of the Group assets are in the State of Qatar, accordingly, there are no distinctly identifiable geographical segments in the Group for the year ended 31 December 2023.