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Gulf International Services QSC

Notice to the Shareholders of Gulf International Services Q.P.S.C.

We are pleased to invite you to attend the Company's Ordinary General Assembly Meetings to be held on Sunday, 10th March 2024 at 3:30 p.m. Doha Time, in Al-Rayyan Ballroom, Sheraton Hotel, Doha. In case a quorum is not met, a second meeting will be held on Wednesday, 27th March 2024 at the same location at 10 PM.

Agenda of the Ordinary General Assembly Meeting

1. Listen to the Chairman's message for the financial year ended 31 December 2023.
2. Approve the Board of Directors' report on GIS' operations and financial performance for the financial year ended 31 December 2023.
3. Listen and approve the Auditor's Report on GIS' consolidated financial statements for the financial year ended 31 December 2023.
4. Discuss and approve GIS' consolidated financial statements for the financial year ended 31 December 2023.
5. Present and approve 2023 Corporate Governance Report.
6. Approve the Board's recommendation for a dividend payment of QR 0.15 per share for 2023, representing 15% of the nominal share value.
7. Absolve the Board of Directors from liability for the year ended 31 December 2023 and fix their remuneration.
8. Appoint the external auditor for the financial year ending 31 December 2024 and approve their fees.
9. Board of Directors election for the term of three years (2024-2027)

Sheikh Khalid bin Khalifa Al-Thani
Chairman of the Board of Directors
Gulf International Services

Notes

1. Each shareholder shall have the right to attend the meeting of the General Assembly and shall have a number of votes that equals the number of shares owned thereby. Resolutions shall be passed by an absolute majority of shares duly represented therein, without prejudice to the provisions of the Company's Articles of Association.
2. Minors and the interdicted persons shall be represented by their legal guardians.
3. Any shareholder that is a company may authorize any one person to act as its representative at any meeting of the General Assembly.
4. Attendance by proxy at the General Assembly meeting is permitted, provided that the proxy is a shareholder and that the proxy is specific and in writing. A shareholder may not appoint a Board Director to act as his proxy at the meeting of the General Assembly. Proxy form can be downloaded from the Company's website: www.gis.com.qa.
5. A shareholder may act as proxy for one or more shareholders of the Company as contemplated under the Company's Articles of Association. In all cases, the number of shares held by the proxy in this capacity shall not exceed (5%) of the Company's share capital.
6. Instruments appointing authorized persons and proxies must be provided to the Company no less than forty-eight (48) hours prior to the commencement of the General Assembly.

Board of Directors' Report

The Board of Directors is pleased to present its annual review of the financial and operational performance of Gulf International Services for the financial year 2023.

Macroeconomic overview

In the dynamic landscape of the oil and gas services industry, the sector's trajectory remains intricately linked to the fluctuations in oil prices and the industry's broader expansion, driven by substantial capital investments. Throughout the year, the industry was marked by optimism, with producers eagerly eyeing strategic expansions, particularly in the region. This prevailing enthusiasm not only reflects the industry's positive sentiment but also underscores promising growth prospects for the oil & gas services sector. This collective drive for expansion underpins the sector's resilience, making it poised for a robust future.

Business and Market Expansion Updates

- Drilling business

In the drilling segment, positive developments persisted due to the implementation of improved day-rates for two of the offshore rigs in addition to the successful redeployment of specific on-shore rigs that were previously off-contract which helped boost the overall rig utilization, However, these gains were partially offset due to the planned maintenance of two offshore rigs, a necessary step in ensuring their continued optimal performance and operations. Throughout the year, the segment achieved successful contract renewals for various offshore rigs, including the sea drill joint venture, securing extensions ranging from 2 to 3 years. These renewals will not only enhance the segment's financial outlook but also will strengthen its long-term stability. Furthermore, the segment continued its international presence by securing the extension of its liftboat contract in KSA. further enhancing asset utilization rates and building international footprints for the segment.

- Aviation business

The aviation segment witnessed an increase in business performance, directly correlated with increased flying activities on both domestic and international fronts. Furthermore, the segment benefitted from contributions from MRO (Maintenance, Repair, and Overhaul). These key drivers propelled the segment's overall performance, showcasing our unwavering dedication to operational excellence and strategic positioning in the global aviation market. Throughout the year, GHC excelled in securing several new medium-to-short term contracts across various regions. This accomplishment underscores our ability to build and maintain robust business alliances in diverse markets. This expansion further solidifies our global footprint within the aviation industry, establishing Gulf Helicopters as a trustworthy partner in delivering services globally.

- Insurance business

The insurance segment's robust performance is underpinned by its expansion in the medical line of business, focusing on contracts with higher premiums and lower claims. Moreover, proactive measures are being taken to explore fresh opportunities within the domestic retail and SME markets. Concurrently, the segment's investment portfolio demonstrated growth, aligning with the favorable trends observed in our overall investment portfolio. Furthermore, Al-Koot is actively and carefully participating in the recently implemented mandatory health insurance scheme mandated by the government.

- Catering business

The catering segment witnessed an improved set of results, driven by the successful merger of Amwaj with Shaqab and Atyab. This strategic move has not only created a national champion in catering but has also positioned the combined entity as the go-to player for all large-scale catering and industrial accommodation needs in Qatar and potentially the wider region.

In line with our announcement on 21st September 2023 and the Extra-Ordinary General Assembly approval on 13th March 2023, the new strategic shareholders of Amwaj, in collaboration with GIS, have officially set the merger's economic effective date as 1st January 2023. The board diligently executed the merger, dissolving the previous board of Amwaj and appointed new board members from respective shareholders. Furthermore, a CEO was appointed for the newly merged entity, bringing together top-tier management and industry expertise under one roof. This strategic restructure will significantly boost our operational efficiency and further position us to be a leading player in the catering industry.

Our strategy going forward

GIS is strategically expanding its market presence in Qatar and international markets as applicable for each segment. Additionally, GIS is dedicated to strategically repositioning its core businesses by ensuring ongoing cost efficiencies and optimizing asset utilization. These initiatives empower our segments to maximize their domestic and international strengths, aiming to create significant shareholder value. In addition, the Group intends to strategically build new revenue streams by capitalizing on opportunities associated with Qatar's North Field expansion.

Achieving cost efficiencies and asset utilization

The optimization of costs and resources stands as a core objective for our Group companies, reflecting our commitment to transforming into leaner and highly efficient entities. Striving for stringent cost discipline, our entities are engaged in a continuous journey towards enhanced efficiency.

In terms of asset utilization, our Group companies place a strong emphasis on maximizing asset utilization while upholding the highest standards of quality and safety. In the drilling segment, contract rig utilization reached 95%, showcasing our dedication to optimal operational efficiency. Similarly, within the aviation segment, there was a notable improvement in total fleet flying hours by 20%, indicating increased flying activity in both domestic and international operations. These achievements underscore our unwavering focus on operational excellence.

Financial results

The Group posted a net profit of QR 392 million, up by 30% compared to last year. The Group's total revenue for the year ended 31 December 2023 improved by 17% compared to 2022 and amounted to QR 3.5 billion for the year ended 31 December 2023, compared to QR 3 billion for last year. For the year ended 31 December 2023, the Group reported an EBITDA of QR 898 million.

The profitability mainly improved on account of better results from all the segments. The drilling segment witnessed recovery on account of higher rig rates and improved asset utilization. While the aviation segment benefited from stronger flying activity, coupled with better contributions from the MRO business. Within the insurance segment, improved results were mainly supported by higher revenue coupled with recovery of investment portfolio.

The Group's total assets increased by 3% during the year, to reach QR 10.4 billion as at 31 December 2023. On the liquidity front, the closing cash, including short-term investments, stood at QR 1.3 billion. The Group reported a total debt of QR 4.4 billion as at 31 December 2023.

GDI Loan Restructure:

The successful completion of the debt restructuring deal with our lenders represents a significant achievement for GDI. With a new long-term tenor of 25 years and a 35% balloon, this restructuring will allow GDI to gradually reduce its financial obligations over the debt tenor. This accomplishment marks a major milestone in our efforts to enhance the company's financial position, providing increased flexibility, improved liquidity, and opportunities for strategic investments. Moreover, it results in immediate cost savings on borrowing, enabling GDI to better navigate macroeconomic volatility.

This achievement underscores the substantial progress made in our financial and operational turnaround objectives, emphasizing our dedication to strengthening the Group's balance sheet and maximizing enterprise value.

Dividends

Given a strong recovery in terms of the Group's financial performance, the Board of Directors recommends a total annual dividend distribution of QR 279 million for the year ended 31 December 2023, equivalent to QR 0.15 per share and representing 71% of the Group's net profits.

Conclusion

The Board of Directors expresses its gratitude to His Highness Sheikh Tamim bin Hamad Al Thani, the Amir of the State of Qatar, for his wise guidance and strategic vision. We also express our gratitude to GIS clients for their unwavering trust and confidence, as well as the senior management of the Group companies for their relentless dedication and hard work. Additionally, we extend our thanks to our esteemed shareholders for their continued trust and confidence in us.

Independent Auditors' Report

Independent auditor's report to the shareholders of Gulf International Services Q.P.S.C.

REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Our opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of Gulf International Services Q.P.S.C. (the "Company") and its subsidiaries (together the "Group") as at 31 December 2023 and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with IFRS Accounting Standards.

What we have audited

The Group's consolidated financial statements comprise:

- the consolidated statement of financial position as at 31 December 2023;
- the consolidated statement of profit or loss and other comprehensive income for the year then ended;
- the consolidated statement of changes in equity for the year then ended;
- the consolidated statement of cash flows for the year then ended;
- the notes to the consolidated financial statements, comprising material accounting policy information and other explanatory information.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the consolidated financial statements* section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Group in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (IESBA Code) and the ethical requirements that are relevant to our audit of the consolidated financial statements in the State of Qatar. We have fulfilled our other ethical responsibilities in accordance with IESBA Code and the ethical requirements in the State of Qatar.

Our audit approach

Overview

Key Audit Matters	• **Accounting for the Amwaj Catering Services Limited (Amwaj) transaction** • **Valuation of insurance contract assets and liabilities** • **Impairment of rigs**

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the consolidated financial statements. In particular, we considered where the Directors made subjective judgements; for example, in respect of material accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including among other matters consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

We tailored the scope of our audit in order to perform sufficient work to enable us to provide an opinion on the consolidated financial statements as a whole, taking into account the structure of the Group, the accounting processes and controls, and the industry in which the Group operates.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matters	How our audit addressed the Key audit matters
Accounting for the Amwaj Catering Services Limited (Amwaj) transaction	

On 16 October 2023, one of the subsidiaries of the Group namely Amwaj Catering Services Limited ("Amwaj"), which represents the Group's catering segment, acquired 100% of the shares of selected entities of Shaqab Abela Catering W.L.L. and Atyab Fruits and Vegetables W.L.L groups. Simultaneously the Group transferred 35.7% of its ownership in Amwaj Catering Services to Tamween Capital, and 34.3% to Abela Qatar International ("AQI").
 	
This acquisition resulted in the deconsolidation of Amwaj which has been shown in these consolidated financial statements as discontinued operations and the recognition of the retained interest as investment in an equity accounted investee with effective ownership of 30%.
 	
The fair value of the retained interest was QR 345 million and carrying amount of the net assets deconsolidated amounted to QR 371 million resulting in a loss on deconsolidation of QR 26 million. Notional goodwill of QR 294 million was recognised as part of the transaction.
 	
As required by IAS 28 'Investments in associates and joint ventures' a notional purchase price allocation (NPPA) was undertaken in accordance with IFRS 3 'Business combinations' to account for this transaction. This required management to make significant estimates as part of determining the fair values of the identifiable assets acquired and liabilities assumed.
 	
The Group engaged independent valuers in order to determine the fair value of the retained interest and the fair values that formed part of the notional purchase price allocation.
 	
We considered this to be a matter of most significance to the current year's audit given the significant estimates involved in determining the fair value of the retained interest and the fair values of the identifiable assets acquired and liabilities assumed.
 	
Refer to the following notes to the consolidated financial statements for detail:
 	
• Note 7: Discontinued operations; and
• Note 10: Equity accounted investees.
	Our procedures included the following:
	
	• We read the merger and related agreements and assessed the appropriateness of the transaction date being the date the Group lost control over Amwaj;
	• We evaluated the methodology adopted by management for the valuation of the fair value of the retained interest in Amwaj. We also assessed the key valuation assumptions used;
	• We assessed the competency, objectivity and independence of the external valuers engaged by the Group. We also obtained the valuation reports and discussed these with the external valuers regarding the methodologies and key assumptions used;
	• With input from our internal valuation experts (where considered necessary), we performed the following procedures, in relation to the fair value of the retained interest and the fair values of the identifiable net assets that formed part of the notional purchase price allocation, as deemed appropriate;
	  - Considered the appropriateness of the methodology and assumptions used in determining the fair values based on the applicable financial reporting requirements and established market practice;
	  - Compared certain key unobservable inputs underlying the fair values to supporting documentation such as approved financial plans;
	  - Tested on a sample basis input data supporting the calculation of intangible assets recognised; and
	  - Evaluated the reasonableness of the resulting fair values based on comparable market data.
	• We considered the appropriateness of the related accounting policies and disclosures in the consolidated financial statements.

Valuation of insurance contract assets and liabilities	
Valuation of liability for incurred claims - Best estimate liability and Risk adjustment The valuation of the liability for incurred claims (LIC) under IFRS 17 'Insurance Contracts' is a key judgemental area for management as it requires the use of complex actuarial methods and models, mainly, for the calculation of Incurred But Not Reported (IBNR) reserves, significant management judgements and actuarial assumptions with regards to the fulfilment cash flows. • Complex actuarial methods are specifically needed to estimate contractual cash flows, in particular ultimate claim expectations and claim development patterns. • Key judgements and assumptions include the approaches used to determine the time value of money and the technique used to determine the risk adjustment for non-financial risks and the determination of the discount rate that reflects the characteristics of the cash flows and liquidity characteristics of the insurance contracts requires significant judgement and estimation. The risk adjustment, which reflects the compensation the Group requires for bearing uncertainty about the amount and timing of the cash flows, is determined using complex actuarial models and other factors derived from regulatory requirements.	Our procedures for the valuation of liability for incurred claims include the following: • Understood and evaluated management's process for the valuation of outstanding claims and IBNR; • We tested the completeness of input data used for the measurement of LIC at transition date and for each of the subsequent reporting periods; • On a sample basis, tested the accuracy of input data used for the measurement of LIC at the transition date and for each of the subsequent reporting periods; • We obtained from management's external independent consultants the IBNR estimation and the supporting judgements and assumptions; • We involved our actuarial specialists in: - evaluating the methodology and assumptions related to the best estimate liability (IBNR), risk adjustment, and discounting against the requirements of the IFRS 17 standard ("the Standard") at the transition date (31 December 2021) and each of the subsequent reporting periods (31 December 2022 and 2023);

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Independent Auditors' Report (Continued)

Therefore, the ultimate amount of claims, could vary materially from the best estimate liability due to the uncertainty surrounding the amount and timing, frequency, and severity of claims and the difficulty in projecting reserves subject to inflationary pressures.

As at 31 December 2023, the LIC amounted to QR 1,013 million. Refer to Notes 3 and 25 to the consolidated financial statements for the accounting policy, judgements and estimates and other information related to the measurement of LIC.

Valuation of liability for remaining coverage

PAA eligibility at transition date

The Premium Allocation Approach (PAA) is a simplified approach for the measurement of the liability for remaining coverage (LRC) that the Group may choose to use when the PAA provides a measurement which is not materially different from that under the general measurement approach for contracts with a coverage period of more than one year (PAA eligibility test). Significant judgement is required by management to determine the reasonable expectation that the measurement under PAA will not materially differ than that of the General Measurement Model (GMM).

Some contracts issued by the Group have a coverage period of more than one year, based on management's judgements, these contracts passed the PAA eligibility test at initial recognition. Management performed a quantitative assessment for the PAA eligibility at the IFRS 17 transition date and continued to measure the liability at subsequent measurement dates using the PAA.

Loss component

The LRC is increased if a group of contracts is onerous at initial recognition, or subsequently becomes onerous.

The Group calculates the loss component of the LRC measured under the PAA approach with reference to the general measurement model LRC projection. This requires complex actuarial calculations and significant inputs and assumptions (such as claims assumptions, expense assumptions and claims payment patterns).

As at 31 December 2023, the liability for remaining coverage amounted to QR 239 million. Refer to Notes 3 and 25 to the consolidated financial statements for the accounting policy, judgements and estimates and other information related to the measurement of LRC.

- reperforming, on a sample basis, an independent estimation of IBNR for the material lines of business;
- determining an independent reasonable range for the computation of the RA using the Group's data;
- testing the movement disclosure required by the Standard; and
- performed independent overall analytical procedures on LIC balances.

Our procedures for the valuation of LRC included the following:

PAA eligibility at transition date

- We obtained from management's the PAA eligibility testing framework as well as their qualitative and quantitative assessments at transition date and their qualitative assessments for the subsequent reporting periods (i.e. 2022 and 2023);
- We involved our actuarial specialists in:
  - Evaluating management's PAA eligibility testing framework and interpretation and application against the requirements of the Standard;
  - performing independent quantitative testing for PAA eligibility, for a sample of the groups not automatically eligible, as at the transition date;
  - for the subsequent periods, reviewing management's qualitative assessment for PAA eligibility and, on a sample basis, performing independent re-computations to confirm PAA eligibility remains unchanged.

Loss component

- Obtained from management's consultants the methodology used for the calculation of the Loss Component ("LC");
- Involved our actuarial specialists in:
  - evaluating the methodology used against the requirements of the Standard;
  - evaluating significant assumptions used in the calculation (i.e. claims ratios, expense ratios);
  - performing an independent calculation of the LC to determine whether the amounts recorded by management fall within a reasonable range from our independent expectation.

We considered these to be matters of most significance to the current year's audit given the significant estimates involved in determining the material insurance contract assets and liabilities and due to the fact that the calculation methodologies have significantly changed from prior year as this is the first year of application of IFRS 17 'Insurance Contracts'.

A. *Impairment of rigs*

The Group's assets include property and equipment at the reporting date with a carrying value of QR 5,507 million. Out of this, property and equipment related to the drilling segment amounted to QR 4,259 million. International Accounting Standard (IAS) 36 'Impairment of Assets' requires these assets to be assessed for impairment where indicators of impairment are present.

Given the cyclical nature of the oil and gas business, there is a potential risk that these assets may not generate cash inflows in line with expectations and forecasts, resulting in an impairment. The Group's assessment of the value in use ("ViU") of its cash generating units ("CGUs") involves estimation about the future performance of the respective businesses. In particular, the determination of the ViU is sensitive to the significant assumptions of future day rates and discount rates. As a result of the impairment tests performed, no impairment was recognised during the year ended 31 December 2023.

We considered the Group's impairment assessment to be a matter of most significance to the current year audit due to the significant judgements and assumptions made by management in performing the impairment assessment.

Refer to the following notes to the consolidated financial statements for further details:

Note 2.4: Use of judgements and estimates;
Note 6: Property and equipment.

Our audit procedures included the following:

- We obtained an understanding of the business process related to impairment;
- We reviewed the group assessment to identify if there is any impairment trigger;
- We obtained the valuation model and tested the mathematical accuracy of the model used by management. We also assessed the appropriateness of the valuation methodology (Discounted cash flows model) applied by management, with reference to market practice and the requirements of IAS 36;
- We assessed the reliability of the Group's budgets included in the business plans (which form the basis of the cash flow forecasts), by comparing current period budget to actual results and evaluating differences noted against underlying documentation and explanations obtained from management. We also agreed revenue and costs used to calculate cash flow forecasts to approved budgets and/or business plans and benchmarking of day rate assumptions to market data;
- We utilised our internal valuation specialists to support us in assessing the assumptions and methodology used by management, and in particular, they independently calculated the weighted average cost of capital;
- We performed sensitivity analysis to determine the changes in key assumptions, namely, discount rates and day rates that would result in an impairment. We considered whether such changes were reasonably likely;
- We also assessed the adequacy of the related disclosures provided in Note 6 to the consolidated financial statements, in particular the sensitivity disclosures in relation to reasonably possible changes in

Other information

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

Our opinion on the consolidated financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon.

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

If, based on the work we have performed, on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

Responsibilities of the Directors and those charged with governance for the consolidated financial statements

The Directors are responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS Accounting Standards and with the requirements of the Qatar Commercial Companies Law number 11 of 2015, as amended by Law number 8 of 2021 and for such internal control as the Directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

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

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

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.
- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

Further, as required by the Qatar Commercial Companies Law number 11 of 2015, as amended by Law number 8 of 2021 we report that:

- We have obtained all the information we considered necessary for the purpose of our audit;
- The Company has carried out a physical verification of inventories at the year-end in accordance with observed principles;
- The Company has maintained proper books of account and the consolidated financial statements are in agreement therewith;
- The financial information included in the Board of Directors' report is in agreement with the books and records of the Company; and
- Nothing has come to our attention, which causes us to believe that the Company has breached any of the provisions of the Qatar Commercial Companies Law number 11 of 2015, as amended by Law number 8 of 2021 or of its Articles of Association, which would materially affect the reported results of its operations or its consolidated financial position as at 31 December 2023.

For and on behalf of PricewaterhouseCoopers – Qatar Branch
Qatar Financial Market Authority registration number 120155

Mark Menton

Auditor's registration number 364
Doha, State of Qatar
14 February 2024

CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023
(ALL AMOUNTS ARE EXPRESSED IN QATARI RIYALS '000 UNLESS OTHERWISE STATED)
CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Note	31 December 2023	31 December 2022 (Restated)*	1 January 2022 (Restated)*
Assets				
Non-current assets				
Property and equipment	6	**5,506,609**	5,560,956	5,591,281
Goodwill	7	**-**	303,559	303,559
Right-of-use assets	8	**28,386**	49,571	65,664
Contract assets	13	**13,104**	13,104	9,464
Equity-accounted investees	10	**390,052**	28,088	12,078
Financial assets at FVTOCI	11	**367,949**	306,592	418,658
		6,306,100	6,261,870	6,400,704
Current assets				
Inventories	12	**440,351**	393,170	284,088
Financial assets at FVTPL	11	**469,342**	438,185	420,689
Trade and other receivables	13	**870,544**	1,029,173	1,008,798
Other assets	18	**149,616**	120,833	102,859
Reinsurance contract assets	25.2.1	**775,666**	668,446	677,901
Short-term investments	14	**718,793**	746,126	348,632
Other bank balances	15.1	**47,079**	48,619	48,619
Cash and cash equivalents	15	**530,107**	347,828	300,788
		4,001,498	3,792,380	3,192,374
Total assets		**10,307,598**	10,054,250	9,593,078
EQUITY AND LIABILITIES				
Equity				
Share capital	16	**1,858,409**	1,858,409	1,858,409
Legal reserve	17(a)	**394,367**	384,339	377,308
General reserve	17(b)	**74,516**	74,516	74,516
Translation reserve	17(c)	**(23,118)**	(25,961)	(54,719)
Fair value reserve	17(d)	**(18,409)**	(27,646)	3,786
Retained earnings		**1,551,370**	1,365,244	1,077,214
Equity attributable to shareholders of the company		**3,837,135**	3,628,901	3,336,514
Non-controlling interests		**(482)**	(312)	(198)
Total equity		**3,836,653**	3,628,589	3,336,316
LIABILITIES				
Non-current liabilities				
Lease liabilities	9	**23,135**	7,432	15,947
Loans and borrowings	19	**4,138,728**	2,633,625	3,692,705
Contract liabilities		**2,730**	2,730	1,820
Deferred tax liabilities		**14,672**	19,629	10,796
Provision for decommissioning costs	20	**-**	45,899	45,669
Provision for employees' end of service benefits	21	**80,668**	112,028	101,259
		4,259,933	2,821,343	3,868,196
Current liabilities				
Lease liabilities	9	**5,250**	33,939	28,868
Dividends payable	23	**47,079**	48,619	50,429
Loans and borrowings	19	**268,102**	1,734,430	674,156
Trade and other payables	22	**638,705**	693,035	602,948
Insurance contract liabilities	25.2.2	**1,251,876**	1,079,705	1,028,718
Contract liabilities		**-**	14,590	3,447
		2,211,012	3,604,318	2,388,566
Total liabilities		**6,470,945**	6,425,661	6,256,762
Total equity and liabilities		**10,307,598**	10,054,250	9,593,078

*Refer to Note 37 regarding details of the restatements

These consolidated financial statements were approved by the Board of Directors of the Company and signed on its behalf by the following on 14 February 2024:

Khalid Bin Khalifa Al-Thani
Chairman

Saad Rashid Al-Muhannadi
Vice Chairman

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
(ALL AMOUNTS ARE EXPRESSED IN QATARI RIYALS '000 UNLESS OTHERWISE STATED)
For the year ended 31 December

	Note	2023	2022 (Restated)*
Continuing operations			
Revenue	25.1	**2,364,591**	2,145,788
Cost of sales	26	**(1,762,784)**	(1,634,852)
Gross profit from non-insurance operations		**601,807**	510,936
Insurance revenue	25.2.2	**1,173,899**	887,784
Insurance service expense	25.2.2	**(886,893)**	(660,689)
Net expense from reinsurance contracts held	25.2.1	**(216,850)**	(121,284)
Insurance service result		**70,156**	105,811
Gross profit and net insurance service results		**671,963**	616,747
Finance (expense)/income from insurance contracts issued		**(44,914)**	7,338
Finance income/(expense) from reinsurance contracts held		**54,797**	(18,500)
Net insurance finance income / (expense)		**9,883**	(11,162)
Other income	27	**47,263**	27,403
Other gains/(losses) – net	28	**(19,263)**	(26,252)
General and administrative expenses	29	**(192,548)**	(166,113)
Net gains on investments in debt securities measured at FVOCI reclassified to profit or loss on disposal		**-**	3,529
Net fair value gain/(loss) on financial assets at FVTPL		**21,928**	(25,897)
Net monetary (loss) / gain arising from hyperinflation		**(2,924)**	20,760
Net impairment (loss) / reversal on financial assets	13	**(1,341)**	3,353
Operating profit		**534,961**	442,368
Finance income	34.1	**70,436**	35,817
Finance costs	34.2	**(205,262)**	(180,376)
Finance costs – Net		**(134,826)**	(144,559)
Share of net profits of equity accounted investees		**24,798**	17,577
Profit before income tax		**424,933**	315,386
Income tax expense	30	**(9,081)**	(13,914)
Profit for the year from continuing operation		**415,852**	301,472
(Loss) / Profit from discontinued operation (attributable to the shareholders of the Company)	7	**(24,237)**	726
Profit for the year		**391,615**	302,198
Profit for the year attributable to:			
Shareholders of the Company		**391,785**	302,312
Non-controlling interests		**(170)**	(114)
		391,615	302,198
Earnings per share			
Basic and diluted earnings per share from continuing operations attributable to shareholders of the Company		**0.224**	0.163
Basic and diluted earnings per share from discontinued operations attributable to shareholders of the Company		**(0.013)**	(0.000)
Basic and diluted earnings per share from profit attributable to shareholders of the Company	31	**0.211**	0.163

	Note	2023	2022 (Restated)*
Other comprehensive income			
Items that are or may be reclassified to profit or loss			
Changes in the fair value of debt instruments at fair value through other comprehensive income		**9,237**	(27,903)
Net instruments at FVOCI reclassified to profit or loss		**-**	(3,529)
Exchange differences on translation of foreign operations including effect of hyperinflation		**2,843**	28,759
Other comprehensive income / (loss) for the year		**12,080**	(2,673)
Total comprehensive income for the year		**403,695**	299,525
Total comprehensive income for the period attributable to:			
Shareholders of the Company		**403,865**	299,639
Non-controlling interests		**(170)**	(114)
		403,695	299,525
Total comprehensive income for the period attributable to shareholders of the Company arises from:			
Continuing operations		**427,932**	298,799
Discontinued operations		**(24,237)**	726
		403,695	299,525

*Refer to Note 37 regarding details of the restatements

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
(ALL AMOUNTS ARE EXPRESSED IN QATARI RIYALS '000 UNLESS OTHERWISE STATED)
For the year ended 31 December

	Attributable to owners of the Company								
	Share capital	Legal reserve	General reserve	Foreign currency translation reserve	Fair value reserve	Retained earnings	Total	Non controlling interests	Total equity
Balance at 1 January 2022 (previously reported)	1,858,409	377,308	74,516	(55,836)	3,786	998,204	3,256,387	(198)	3,256,189
Impact on the initial application of IFRS 17 (Note 5)	-	-	-	-	-	61,551	61,551	-	61,551
Restatements (Note 37)	-	-	-	1,117	-	17,459	18,576	-	18,576
Balance at 1 January 2022 (restated*)	1,858,409	377,308	74,516	(54,719)	3,786	1,077,214	3,336,514	(198)	3,336,316
Total comprehensive income:									
Profit for the year	-	-	-	-	-	302,312	302,312	(114)	302,198
Other comprehensive loss	-	-	-	28,758	(31,432)	-	(2,674)	-	(2,674)
Total comprehensive income / (loss) for the year	-	-	-	28,758	(31,432)	302,312	299,638	(114)	299,524
Social fund contribution (Note 22)	-	-	-	-	-	(7,251)	(7,251)	-	(7,251)
Transfer to legal reserve	-	7,031	-	-	-	(7,031)	-	-	-
Balance at 31 December 2022 (restated)	1,858,409	384,339	74,516	(25,961)	(27,646)	1,365,244	3,628,901	(312)	3,628,589
Balance at 1 January 2023	**1,858,409**	**384,339**	**74,516**	**(25,961)**	**(27,646)**	**1,365,244**	**3,628,901**	**(312)**	**3,628,589**
Total comprehensive income:									
Profit for the year	-	-	-	-	-	**391,785**	**391,785**	**(170)**	**391,615**
Other comprehensive income	-	-	-	**2,843**	**9,237**	-	**12,080**	-	**12,080**
Total comprehensive income for the year	-	-	-	**2,843**	**9,237**	**391,785**	**403,865**	**(170)**	**403,695**
Social fund contribution (Note 22)	-	-	-	-	-	**(9,790)**	**(9,790)**	-	**(9,790)**
Transfer to legal reserve	-	**10,028**	-	-	-	**(10,028)**	-	-	-
Transactions with shareholders of the Company:									
Dividends declared	-	-	-	-	-	**(185,841)**	**(185,841)**	-	**(185,841)**
Balance at 31 December 2023	**1,858,409**	**394,367**	**74,516**	**(23,118)**	**(18,409)**	**1,551,370**	**3,837,135**	**(482)**	**3,836,653**

CONSOLIDATED STATEMENT OF CASH FLOWS
(ALL AMOUNTS ARE EXPRESSED IN QATARI RIYALS '000 UNLESS OTHERWISE STATED)
For the year ended 31 December

	Note	2023	2022 (Restated)*
Cash flows from operating activities			
(Loss) / profit before income tax			
Continuing operations		**424,933**	315,386
Discontinued operations		**(24,237)**	726
Adjustments for:			
Depreciation of property and equipment	6	**351,238**	347,473
Impairment loss on property and equipment	6	**7,316**	2,202
Loss on sale and write-off of property and equipment		**4,009**	1,053
Depreciation of right-of-use assets	8	**13,701**	31,166
Share of profit of equity-accounted investees		**(24,798)**	(17,577)
Loss from the disposal of a subsidiary	7	**26,279**	-
Write-down of inventories due to slow-moving and obsolete stock		**763**	1,554
Net impairment loss / (reversal) on financial assets	13	**1,341**	(3,353)
Provision for employees' end of service benefits	21	**16,236**	24,625
Net (loss) / gain in fair value of financial investments at FVTPL		**(21,928)**	25,897
Net gain from sale of financial investments		**(313)**	(3,529)
Profit distribution from managed investment funds	27	**(1,655)**	(3,652)
Dividend income	27	**(4,928)**	(3,543)
Income tax benefit recognized pursuant to MOU	27	**(5,723)**	(5,688)
Finance income	34.1	**(70,436)**	(35,817)
Finance costs - leases	34.2	**202**	535
Finance costs – loans and borrowings		**211,709**	185,331
Finance costs – decommissioning	20	**180**	230
Net monetary gain arising from hyperinflation		**2,924**	(20,759)
Operating profit before working capital changes		**906,813**	842,260
Working capital changes:			
(Increase) in inventories		**(61,712)**	(107,528)
(Increase) in other assets		**(28,783)**	(17,974)
decrease / (increase) in trade and other receivables		**27,118**	(17,022)
(Increase) / decrease in reinsurance contract assets		**(107,220)**	9,455
Increase in trade and other payables		**79,620**	71,503
Increase in insurance contract liabilities		**172,171**	50,987
Increase in contract liabilities		**(14,590)**	11,143
Cash flows generated from operating activities		**973,417**	842,824
Social and sports contribution paid		**(7,251)**	(1,351)
Employees' end of service benefits paid	21	**(15,571)**	(13,856)
Net cash flows generated from operating activities		**950,595**	827,617
Investing activities			
Acquisition of property and equipment	6	**(333,300)**	(275,987)
Acquisition of financial investments		**(62,883)**	(306,881)
Net movement in short-term investments		**27,333**	(397,494)
Finance income received		**63,203**	35,794
Proceeds from sale and maturity of financial investments		**15,051**	352,203
Proceeds from sale of property and equipment		**-**	1,228
Profit distribution from managed investment funds	27	**1,655**	3,652
Proceeds from sale of a joint venture		**3,537**	-
Amwaj's cash at disposal	7	**(127,414)**	-
Dividends from equity-accounted investee	10	**3,920**	1,567
Dividends received		**1,691**	3,543
Net cash used in investing activities		**(407,207)**	(582,375)
Financing activities			
Principal elements of lease payments		**(5,951)**	(19,513)
Proceeds from loans and borrowings		**20,440**	106,288
Repayment of loans and borrowings		**(3,872)**	(143,323)
Dividends paid to unclaimed dividends account		**(185,841)**	(1,810)
Finance costs paid - leases		**(202)**	(535)
Finance costs paid – loans and borrowings		**(189,502)**	(141,936)
Net cash flows used in financing activities		**(364,928)**	(200,829)
Net change in cash and cash equivalents		**178,460**	44,413
Effect of movements in exchange rates on cash held		**3,819**	2,627
Cash and cash equivalents at 1 January		**347,828**	300,788
Cash and cash equivalents at 31 December	15	**530,107**	347,828

*Refer to Note 37

Non-cash investing additions relating to right of use assets excluded from the cashflows amounted to QR 28 million (2022: QR 15 million). Other non-cash investing activities relate to the disposal of Amwaj, refer to Note 7.

Cash flows relating to discontinued operations are presented in Note 7.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
(ALL AMOUNTS ARE EXPRESSED IN QATARI RIYALS '000 UNLESS OTHERWISE STATED)

1. REPORTING ENTITY

Gulf International Services Q.P.S.C. (the "Group") is a Company incorporated on 12 February 2008 in the State of Qatar under the commercial registration number 38200 as a Qatari Shareholding Company. [illegible]

[illegible]

Name of the company	Country of incorporation	Segment	Shareholding 2023	Shareholding 2022
Al Koot Insurance & Reinsurance Company P.J.S.C.	Qatar	Insurance	100%	100%
Gulf Helicopters Company (Qatari Private Shareholding Company)	Qatar	Aviation	100%	100%
Gulf Drilling International (Qatari Private Shareholding Company)	Qatar	Drilling	100%	100%
Amwaj Catering Service*	Qatar	Discontinued	30%	100%

[illegible]

2. BASIS OF PREPARATION

2.1 STATEMENT OF COMPLIANCE

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

2.2 BASIS OF MEASUREMENT

[illegible]

2.3 FUNCTIONAL AND PRESENTATIONAL CURRENCY

[illegible]

2.4 USE OF JUDGMENTS AND ESTIMATES

[illegible]

Judgements

[illegible]

Estimates and assumptions

Fair value of retained interest

[illegible]

Impairment of non-financial assets – Rigs

[illegible]

Provision for expected credit losses of financial assets

[illegible]

2.4.1 *Significant judgements and estimates in applying IFRS 17*

[illegible]

2.4.2 *Significant judgements and estimates in applying IFRS 9*

[illegible]

3. NEW STANDARDS, AMENDMENTS AND INTERPRETATIONS

3.1 NEW STANDARDS, AMENDMENTS AND INTERPRETATIONS EFFECTIVE FROM 1 JANUARY 2023

[illegible]

3.2 IFRS 17 "INSURANCE CONTRACTS"

[illegible]

Unit of account and measurement model

[illegible]

Recognition, initial and subsequent measurement

[illegible]

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(ALL AMOUNTS ARE EXPRESSED IN QATARI RIYALS '000 UNLESS OTHERWISE STATED)

a) increased for premiums received in the period;
b) decreased for insurance acquisition cash flows paid in the period;
c) decreased for the amounts of expected premium receipts recognised as insurance revenue for the services provided in the period; and
d) increased for the amortisation of insurance acquisition cash flows in the period recognised as insurance service expenses in the reporting period.

For reinsurance contracts held, at each of the subsequent reporting dates, the remaining coverage is:

a) increased for ceding premiums paid in the period;
b) decreased for net ceding commissions received in the period;
c) decreased for the expected amounts of ceding premiums and ceding commissions recognized as net reinsurance expenses for the services received in the period

For the Liability for Incurred Claims "LIC":

The Group estimates the liability for incurred claims and expenses as the fulfillment cash flows related to incurred claims and expenses. The fulfillment cash flows are an explicit, unbiased, and probability-weighted estimate of the present value of the future cash flows, within the contract boundary of a group of contracts, that will arise as the entity fulfill its obligation under the insurance contracts, including a risk adjustment for non-financial risk. The Group disaggregates changes in the risk adjustment for non-financial risk between insurance service result and insurance finance income or expenses.

The Group establishes insurance claims liabilities to cover the estimated liability for the cash flows associated with incurred losses as at the balance sheet date, including claims not yet reported ("IBNR") and loss adjustment expenses incurred with respect to insurance contracts underwritten and reinsurance contracts placed by the Group. The ultimate cost of claims liabilities is estimated by using generally accepted standard actuarial techniques.

The main assumption underlying these techniques is that the Group's past claims development experience can be used to project future claims development and hence ultimate claims costs. As such, these methods extrapolate the development of paid and incurred losses, average costs per claim (severity) and average number of claims (frequency) based on the observed development of earlier years and expected loss ratios. Historical claims development is analyzed by accident year, geographical area, as well as claim type.

Additional qualitative judgment is used to assess the extent to which past trends may not apply in the future (e.g., to reflect one-off occurrences, changes in external or market factors such as public attitudes to claiming, economic conditions, levels of claims inflation and legislation, as well as internal factors such as portfolio mix, policy features and claims handling procedures) to arrive at the estimated ultimate cost of claims that present the probability-weighted expected value outcome from the range of possible outcomes, taking into account all the uncertainties involved.

The Group has elected not to adjust the LRC for the effect of time value of money, as it expects the time between providing each part of the coverage and the related premium due date to be one year or less. On the other hand, the Group has decided to discount the LIC for the time value of money as some portfolios have significant amounts of claims paid after 12 months of date of loss. Hence, for all contracts measured under the PAA, the Group has decided to allow for the time value of money in estimating the Liability for Incurred Claims ("LIC").

The fulfillment cashflows are the current estimates of the future cash flows within the contract boundary of a group of contracts that the Group expects to collect from premiums and pay out for claims, benefits and expenses, adjusted to reflect the timing and the uncertainty of those amounts. As all contracts are measured under the PAA, unless the contracts are onerous, the FCF are only estimated for the measurement of the LIC.

The estimates of future cash flows:
a) are based on a probability-weighted mean of the full range of possible outcomes;
b) are determined from the perspective of the Group, provided that the estimates are consistent with observable market prices for market variables; and
c) reflect conditions existing at the measurement date.

An explicit risk adjustment for non-financial risk is estimated separately from the other estimates. For contracts measured under the PAA, unless the contracts are onerous, the explicit risk adjustment for non-financial risk is only estimated for the measurement of the LIC.

The estimates of future cash flows are adjusted using the current discount rates to reflect the time value of money and the financial risks related to those cash flows, to the extent not included in the estimates of cash flows. The discount rates reflect the characteristics of the cash flows arising from the companys of insurance contracts, including timing, currency and liquidity of cash flows. The determination of the discount rate that reflects the characteristics of the cash flows and liquidity characteristics of the insurance contracts requires significant judgement and estimation.

Risk of the Group's non-performance is not included in the measurement of groups of insurance contracts issued. In the measurement of reinsurance contracts held, the probability-weighted estimates of the present value of future cash flows include the potential credit losses and other disputes of the reinsurer to reflect the non-performance risk of the reinsurer. The Group uses consistent assumptions to measure the estimates of the present value of future cash flows for the company of reinsurance contracts held and such estimates for the company's of underlying insurance contracts.

Discount rates

The Group has adopted a bottom-up approach for deriving the yield curves, the starting point being the liquid risk-free base curves in the currencies in which the contracts are denominated. The final discount rates are chosen with consideration to the following curves for liabilities denominated in Qatari Riyals (which will continue to be monitored, compared, and assessed for appropriateness):

• The United States ("US") treasury risk-free curves (since the Qatari Riyal is currently pegged to the US Dollar).
• The Qatar Central Bank's Money Lending Rate for Qatari Riyal.

Given the relatively liquid nature of the majority of the Group's contracts, the Group does not incorporate an illiquidity premium in the discount rates determined using the bottom-up approach. Per the decision to use a bottom-up approach, no adjustment for the removal of credit risk is required in the derivation of the Group's discount rates.

Contract boundary

The Group uses the concept of contract boundary to determine what cash flows should be considered in the measurement of groups of insurance contracts.

Cash flows are within the boundary of an insurance contract if they arise from the rights and obligations that exist during the period in which the policyholder is obligated to pay premiums or the Group has a substantive obligation to provide the policyholder with insurance contract services. A substantive obligation ends when:

a) the Group has the practical ability to reprice the risks of the particular policyholder or change the level of benefits so that the price fully reflects those risks; or
b) both of the following criteria are satisfied:
   (i) the Group has the practical ability to reprice the contract or a portfolio of contracts so that the price fully reflects the reassessed risk of that portfolio; and
   (ii) the pricing of premiums up to the date when risks are reassessed does not reflect the risks related to periods beyond the reassessment date.

Cash flows outside the insurance contracts boundary relate to future insurance contracts and are recognised when those contracts meet the recognition criteria.

For groups of reinsurance contracts held, cash flows are within the contract boundary if they arise from substantive rights and obligations of the Group that exist during the reporting period in which the Group is compelled to pay amounts to the reinsurer or in which the Group has a substantive right to receive insurance contract services from the reinsurer.

Cash flows that are not directly attributable to a portfolio of insurance contracts are recognised in other operating expenses as incurred.

Insurance acquisition costs and directly attributable expenses

Insurance acquisition cash flows are the costs that are directly associated with selling, underwriting and starting a group of insurance contracts (issued or expected to be issued) and that are directly attributable to a portfolio of insurance contracts.

Directly attributable expenses are the costs that can be fully or partially attributed to the fulfillment of the companys of insurance contracts. The Group allocates the attributable costs based on a number of drivers. Both acquisition and attributable costs fall under the insurance service expense. While the non-attributable costs are reported under other operating expenses. The Group amortises the insurance accquistion costs over the contract period.

Insurance revenue

The insurance revenue for the period is the amount of expected premium receipts allocated to the period. The Group allocates the expected premium receipts to each period of insurance contract services on the basis of the passage of time. The impact of seasonality is not considered material in relation to recording the insurance revenue.

Insurance service expenses

Insurance service expenses include the following:

a. incurred claims for the period.
b. other incurred directly attributable expenses.
c. insurance acquisition cash flows amortization.
d. changes that relate to past service – changes in the FCF relating to the LIC.
e. changes that relate to future service – changes in the FCF that result in onerous contract losses or reversals of those losses.

Presentation of reinsurance contracts held

The Group presents financial performance of groups of reinsurance contracts held on a net basis in net income (expenses) from reinsurance contracts held, comprising the following amounts:

a. reinsurance expenses;
b. incurred claims recovery;
c. other incurred directly attributable insurance service expenses;
d. effect of changes in risk of reinsurer non-performance;
e. changes relating to past service (i.e. adjustments to incurred claims).

Reinsurance expenses are recognised similarly to insurance revenue. The amount of reinsurance expenses recognised in the reporting period depicts the transfer of received insurance contract services at an amount that reflects the portion of ceding premiums that the Group expects to pay in exchange for those services. For groups of reinsurance contracts held measured under the PAA, the Group recognises reinsurance expenses based on the passage of time over the coverage period of a group of contracts.

Insurance finance income or expenses

Insurance finance income or expenses comprise the change in the carrying amount of the companys of insurance contracts respectively arising from:

a. the effect of the time value of money and changes in the time value of money; and
b. the effect of financial risk and changes in financial risk.

Onerous contract

The Group assumes that no contracts are onerous at initial recognition, unless facts and circumstances indicate otherwise. If facts and circumstances indicate that some contracts are onerous, an additional assessment is performed to distinguish onerous contracts from non-onerous ones.

If facts and circumstances indicate that a group of insurance contracts measured under the PAA is onerous on initial recognition or becomes onerous subsequently, the Group increases the carrying amount of the LRC to the amounts of the discounted FCF determined under the General Measurement Model ("GMM"), with the amount of such an increase recognised in insurance service expenses, and a loss component is established for the amount of the loss recognised. Subsequently, the loss component is remeasured at each reporting date as the difference between the amounts of the FCF determined under the GMM relating to the future service and the carrying amount of the LRC without the loss component. When a loss is recognised on initial recognition of an onerous group of underlying insurance contracts or on addition of onerous underlying insurance contracts to that group, the carrying amount of the asset for remaining coverage for reinsurance contracts held measured under the PAA is increased by the amount of income recognised in profit or loss and a loss-recovery component is established or adjusted for the amount of income recognised.

The referred income is calculated by multiplying the loss recognised on underlying insurance contracts by the percentage of claims on underlying insurance contracts that the Group expects to recover from the reinsurance contract held that are entered into before or at the same time as the loss is recognised on the underlying insurance contracts. When underlying insurance contracts are included in the same group with insurance contracts issued that are not reinsured, the Group applies a systematic and rational method of allocation to determine the portion of losses that relates to underlying insurance contracts.

The Group does not have any reinsurance contracts held measured under the PAA with underlying contracts measured under the GMM.

Risk adjustment for non-financial risk

The risk adjustment for non-financial risk is applied to the present value of the estimated future cash flows, and it reflects the compensation that the Group requires for bearing the uncertainty about the amount and timing of the cash flows from non-financial risk as the Group fulfils insurance contracts. The Group has chosen the confidence level between 55th percentile to 75th percentile of the distribution of the claim reserves, considering this level is adequate to cover sources of uncertainty about the amount and timing of the cash flows. Various methods are used to determine the risk adjustment including Mack Model, Cost of Capital (CoC) approach and the factors derived from relevant regulatory requirements.

EXPLANATION OF TRANSITION TO IFRS 17 AND OTHER ADJUSTMENTS

As stated in Note 2, this is the Group's first consolidated financial statements prepared in accordance with the requirements of IFRS 17.

The accounting policies set out in Note 4 have been applied in preparing the consolidated financial statements for the year ended 31 December 2023 and 31 December 2022 and in the preparation of an opening IFRS 17 consolidated statement of financial position at 1 January 2022 (the Group's date of transition) and 31 December 2022.

In preparing its opening IFRS 17 consolidated statement of financial position, the Group has adjusted amounts reported previously in financial statements under IFRS 4. An explanation of how the transition from IFRS 4 to IFRS 17 has affected the Group's financial position, for the respective periods, is set out in the following tables and the notes that accompany the tables.

Reconciliation of consolidated statement of financial position as at 1 January 2022.

	Pre -adoption of IFRS 17	Non IFRS 17 adjustments (Note 37)	IFRS 17 Reclassification	IFRS 17 Remeasurement	Post adoption of IFRS 17
ASSETS					
Property and equipment	5,591,281	-	-	-	5,591,281
Goodwill	303,559	-	-	-	303,559
Right-of-use assets	36,292	29,372	-	-	65,664
Contract assets	9,464	-	-	-	9,464
Equity-accounted investees	12,078	-	-	-	12,078
Financial asset at FVTOCI	418,658	-	-	-	418,658
Inventories	284,088	-	-	-	284,088
Contract assets	6,514	(6,514)	-	-	-
Due from related parties	686,354	(677,515)	(8,839)	-	-
Financial asset at FVTPL	420,689	-	-	-	420,689
Trade and other receivables	694,994	581,170	(267,366)	-	1,008,798
Other current assets	-	102,859	-	-	102,859
Reinsurance contract assets	757,382	-	37,550	(117,031)	677,901
Short-term investments	348,632	-	-	-	348,632
Other bank balances	-	48,619	-	-	48,619
Cash and bank balances	349,407	(48,619)	-	-	300,788
TOTAL ASSETS	**9,919,392**	**29,372**	**(238,655)**	**(117,031)**	**9,593,078**
EQUITY AND LIABILITIES					
EQUITY					
Share capital	1,858,409	-	-	-	1,858,409
Legal reserve	377,308	-	-	-	377,308
General reserve	74,516	-	-	-	74,516
Translation reserve	(55,836)	1,117	-	-	(54,719)
Fair value reserve	3,786	-	-	-	3,786
Retained earnings	998,204	17,459	-	61,551	1,077,214
Non-controlling interests	(198)	-	-	-	(198)
Total Equity	**3,256,189**	**18,576**	-	**61,551**	**3,336,316**
LIABILITIES					
Loans and borrowings	4,325,409	41,452	-	-	4,366,861
Contract liabilities	5,267	-	-	-	5,267
Deferred tax liabilities	-	10,796			10,796
Provision for decommissioning costs	45,669	-	-	-	45,669
Provision for employees' end of service	101,259	-	-	-	101,259
Lease liabilities	44,815	-	-	-	44,815
Dividends payable	50,429	-	-	-	50,429
Trade and other payables	831,273	(6,629)	(221,696)	-	602,948
Due to related parties	44,507	(34,823)	(9,684)	-	-
Insurance contract liabilities	1,214,575	-	(7,275)	(178,582)	1,028,718
Total Liabilities	**6,663,203**	**10,796**	**(238,655)**	**(178,582)**	**6,256,762**

Reconciliation of consolidated statement of financial position as at 31 December 2022.

	Pre -adoption of IFRS 17	Non IFRS 17 adjustments (Note 37)	IFRS 17 Reclassification	IFRS 17 Remeasurement	Post adoption of IFRS 17
ASSETS					
Property and equipment	5,560,956	-	-	-	5,560,956
Goodwill	303,559	-	-	-	303,559
Right-of-use assets	27,731	21,840	-	-	49,571
Contract assets	13,104	-	-	-	13,104
Equity-accounted investees	28,088	-	-	-	28,088
Financial asset at FVTOCI	306,592	-	-	-	306,592
Inventories	393,170	-	-	-	393,170
Due from related parties	759,940	(671,219)	(88,721)	-	-
Financial asset at FVTPL	438,185	-	-	-	438,185
Trade and other receivables	799,656	550,386	(320,869)	-	1,029,173
Other current assets	-	120,833	-	-	120,833
Reinsurance contract assets	1,091,277	-	(244,232)	(178,599)	668,446
Short-term investments	746,126	-	-	-	746,126
Other bank balances	-	48,619	-	-	48,619
Cash and bank balances	396,447	(48,619)	-	-	347,828
TOTAL ASSETS	**10,864,831**	**21,840**	**(653,822)**	**(178,599)**	**10,054,250**
EQUITY AND LIABILITIES					
EQUITY					
Share capital	1,858,409	-	-	-	1,858,409
Legal reserve	384,339	-	-	-	384,339
General reserve	74,516	-	-	-	74,516
Translation reserve	(71,371)	45,410	-	-	(25,961)
Fair value reserve	(27,646)	-	-	-	(27,646)
Retained earnings	1,350,550	(43,199)	-	57,893	1,365,244
Non-controlling interests	(312)	-	-	-	(312)
Total Equity	**3,568,485**	**2,211**	-	**57,893**	**3,628,589**
LIABILITIES					
Loans and borrowings	4,289,232	78,823	-	-	4,368,055
Contract liabilities	17,320	-	-	-	17,320
Provision for decommissioning costs	45,899	-	-	-	45,899
Provision for employees' end of service benefits	112,028	-	-	-	112,028
Lease liabilities	41,371	-	-	-	41,371
Deferred tax liabilities	-	19,629	-	-	19,629
Dividends payable	48,619	-	-	-	48,619
Trade and other payables	1,046,056	(55,750)	(297,271)	-	693,035
Due to related parties	27,812	(23,073)	(4,739)	-	-
Insurance contract liabilities	1,668,009	-	(351,812)	(236,492)	1,079,705
Total Liabilities	**7,296,346**	**19,629**	**(653,822)**	**(236,492)**	**6,425,661**

Reconciliation of consolidated statement of profit or loss and other comprehensive income for the period ended 31 December 2022

	Previously reported	Relating to Discontinued operations	Non IFRS 17 adjustments (Note 37)	IFRS 17 Reclassification	IFRS 17 Remeasurement	Post adoption of IFRS 17 and other adjustments
Revenue	3,665,539	(616,420)	-	(903,331)	-	2,145,788
Cost of sales	(2,992,875)	588,272	-	769,751	-	(1,634,852)
Gross profit from non-insurance operations	**672,664**	**(28,148)**	-	**(133,580)**	-	**510,936**
Insurance revenue	-	-	-	888,014	(230)	887,784
Insurance service expense	-	-	-	(675,977)	15,288	(660,689)
Net expense from reinsurance contracts held	-	-	-	(113,728)	(7,556)	(121,284)
Insurance service result	-	-	-	**98,309**	**7,502**	**105,811**
Gross profit and net insurance service results	**672,664**	**(28,148)**	-	**(35,271)**	**7,502**	**616,747**
Finance (expense)/income from insurance contracts issued	-	-	-	-	7,338	7,338
Finance income/(expense) from reinsurance contracts held	-	-	-	-	(18,500)	(18,500)
Net insurance finance income / (expense)	-	-	-	-	**(11,162)**	**(11,162)**
Other income	41,391	(866)	(13,122)	-	-	27,403
Other gains/(losses) – net	(61,647)		35,395	-	-	(26,252)
General and administrative expenses	(218,520)	20,648	-	31,759	-	(166,113)
Net gains on investments in debt securities measured at FVOCI reclassified to profit or loss on disposal	-		3,529	-	-	3,529
Net fair value gain/(loss) on financial assets at FVTPL	-	-	(25,897)	-	-	(25,897)
Net monetary gain arising from hyperinflation	(11,411)	-	32,171	-	-	20,760
Net impairment loss / reversal on financial assets	(776)	521	95	3,513	-	3,353
Operating profit	**421,701**	**(7,845)**	**32,171**	**1**	**(3,660)**	**442,368**

	Previously reported	Relating to Discontinued operations	Non IFRS 17 adjustment (Note 37)	IFRS 17 Reclassification	IFRS 17 Remeasurement	Post adoption of IFRS 17 and other adjustments
Finance income	38,387	(2,570)	-	-	-	35,817
Finance costs	(181,926)	1,550	-	-	-	(180,376)
Finance costs – Net	(143,539)	(1,020)	-	-	-	(144,559)
Share of net profits of equity accounted investees	17,577	-	-	-	-	17,577
Profit before income tax	**295,739**	**(8,865)**	**32,171**	-	**(3,660)**	**315,386**
Income tax expense	(5,688)	(8,226)	-	-		(13,914)
Profit for the year from continuing operation	**290,051**	**(17,091)**	**32,171**	-	**(3,660)**	**301,472**
(Loss) / Profit from discontinued operation (attributable to the shareholders of the Company)	-	8,258	(7,532)	-	-	726
Profit for the year	**290,051**	**(8,833)**	**24,639**	-	**(3,660)**	**302,198**
Profit for the year attributable to:						
Shareholders of the Company	290,165	(8,833)	24,639	-	(3,660)	302,312
Non-controlling interests	(114)	-	-	-	-	(114)
	290,051	**(8,833)**	**24,639**	-	**(3,660)**	**302,198**
Other comprehensive income						
Items that are or may be reclassified to profit or loss						
Changes in the fair value of debt instruments at fair value through other comprehensive income	(31,432)	-	3,529	-	-	(27,903)
Net instruments at FVOCI reclassified to profit or loss	-	-	(3,529)	-	-	(3,529)
Exchange differences on translation of foreign operations	(15,535)	-	44,294	-	-	28,759
Other comprehensive loss for the year	**(46,967)**	-	**44,294**	-	-	**(2,673)**
Total comprehensive income for the year	**243,084**	**(8,833)**	**68,933**	-	**(3,660)**	**299,525**
Total comprehensive income / (loss) for the period attributable to:						
Shareholders of the Company	243,198	(8,833)	68,933	-	(3,660)	299,639
Non-controlling interests	(114)	-	-	-		(114)
	243,084	**(8,833)**	**68,933**	-	**(3,660)**	**299,525**

*Other adjustments represent non IFRS 17 related restatements recognised by management. Refer to Note 37 for more details

Remeasurement impact on the consolidated statement of financial position on adoption of IFRS 17

Impact on equity:

Drivers of changes in equity	Impact on equity on transition to IFRS 17 on 1 January 2022	Impact on equity on transition to IFRS 17 on 31 December 2022
Changes in measurement of insurance contract liabilities	178,583	236,492
Changes in measurement of reinsurance contract assets	(117,031)	(178,599)
Total Impact	**61,552**	**57,893**

Impact on insurance contract liabilities:

Drivers of changes	Impact on liabilities on transition to IFRS 17 on 1 January 2022	Impact on liabilities on transition to IFRS 17 on 31 December 2022
Risk adjustment	176,986	218,701
Loss component on onerous contracts	364	15,497
Additional deferral of identified acquisition costs	1,233	2,295
Total Impact	**178,583**	**236,493**

Impact on reinsurance contract assets:

Drivers of changes	Impact on assets on transition to IFRS 17 on 1 January 2022	Impact on assets on transition to IFRS 17 on 31 December 2022
Reinsurance risk adjustment	114,791	175,843
Additional deferral of identified commission income	2,240	2,755
Total Impact	**117,031**	**178,598**

Overall increase in net equity, is principally, on account of release of margins for prudency which were held under IFRS 4 within outstanding claims and IBNR reserves. Under IFRS 17, the best estimates reserves are held for IBNR therefore the additional margins held under IFRS 4 have been released resulting in the above impact on risk adjustment.

Insurance acquisition cashflows under IFRS 17 included items that were previously classified as other expenses. They were amortised under IFRS 17, which resulted in an increase in deferred insurance acquisition cashflows.

3.3 NEW, AMENDED STANDARDS AND INTERPRETATIONS NOT YET EFFECTIVE

Certain amendments to accounting standards have been published that are not mandatory for 31 December 2023 reporting periods and have not been early adopted by the group. These amendments are not expected to have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions.

(All amounts are expressed in Qatari Riyals '000 unless otherwise stated)

4. Material accounting policies

The Group has consistently applied the following accounting policies to all periods presented in these consolidated financial statements.

4.1 Basis of consolidation

Business combinations

The Group accounts for business combinations using the acquisition method when control is transferred to the Group. The consideration transferred in the acquisition is generally measured at fair value, as are the identifiable net assets acquired. Any goodwill that arises is tested annually for impairment. Any gain on a bargain purchase is recognised in profit or loss immediately. Transaction costs are expensed as incurred, except if related to the issue of debt or equity securities.

The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts are generally recognised in profit or loss.

Any contingent consideration is measured at fair value at the date of acquisition. If an obligation to pay contingent consideration that meets the definition of a financial instrument is classified as equity, then it is not remeasured and settlement is accounted for within equity. Otherwise, other contingent consideration is remeasured at fair value at each reporting date and subsequent changes in the fair value of the contingent consideration are recognised in profit or loss.

Subsidiaries

Subsidiaries are entities controlled by the Group. The Group 'controls' an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

Non-controlling interests ('NCI')

NCI are measured initially at their proportionate share of the acquiree's identifiable net assets at the date of acquisition.

Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

Associates

Associates are all entities over which the group has significant influence but not control or joint control. This is generally the case where the group holds between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting, after initially being recognised at cost.

Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise the group's share of the post-acquisition profits or losses of the investee in profit or loss, and the group's share of movements in other comprehensive income of the investee in other comprehensive income. Dividends received or receivable from associates and joint ventures are recognised as a reduction in the carrying amount of the investment. IAS28(38),(39) Where the group's share of losses in an equity-accounted investment equals or exceeds its interest in the entity, including any other unsecured long-term receivables, the group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the other entity. IAS28(28),(30) Unrealised gains on transactions between the group and its associates and joint ventures are eliminated to the extent of the group's interest in these entities. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of equity-accounted investees have been changed where necessary to ensure consistency with the policies adopted by the Group.

Loss of control

When the Group loses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary, and any related NCI and other components of equity. Any resulting gain or loss is recognised in profit or loss. Any interest retained in the former subsidiary is measured at fair value when control is lost.

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed. If, after reassessment, the net of the acquisition-date amounts of the identifiable assets acquired and liabilities assumed exceeds the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the acquirer's previously held interest in the acquiree (if any), the excess is recognised immediately in profit or loss as a bargain purchase gain.

4.2 Property and equipment

Recognition and measurement

Items of property and equipment are recognized at cost of acquisition and measured thereafter at cost less accumulated depreciation and any accumulated impairment losses, if any.

Cost includes expenditure that is directly attributable to the acquisition of an asset. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment. If significant parts of an item of property and equipment have different useful lives, then they are accounted for as separate items (major components) of property and equipment. All other repair and maintenance costs are recognised in profit or loss as incurred.

Subsequent expenditure

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only if it is probable that future economic benefits associated with the expenditure will flow to the Group

Depreciation

The estimated useful lives of the assets are as follows:

	Useful life
Buildings	4 -20 years
Aircraft	10-20years
Plant and machinery	2 - 7 years
Rigs	15 - 30 years
Other property and equipment:	
Ground and radio equipment and tools	4 - 6 years
Motor vehicles	4 - 5 years
Furniture, fixtures and office equipment	3 - 7 years
Computers	3 years

Depreciation is calculated from when the assets are ready for their intended use. Depreciation is based on the estimated useful lives of the applicable assets on a straight-line basis, except capitalised maintenance expenditures, which are depreciated depending on the nature:

1) Spares such as engines, gearboxes are depreciated over 4 years as that's the established intervals for such maintenance (normal aviation practice is to have an inspection every 4 years) to ensure air worthiness.
2) Other spares which are consumed based on the flying hours and required to be replaced as per the air safety manual. Hence it is appropriate to depreciate these over the usage in terms of flying hours.

Capitalised maintenance expenditures represent major overhaul and inspections costs to aircraft, engines and gearboxes.

The estimated useful lives, residual values and depreciation methods are reviewed at each reporting date, with the effect of any changes in estimate accounted for on a prospective basis.

Derecognition

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

Capital work-in-progress

Capital work-in-progress is carried at cost less impairment, if any. capital work-in-progress is not depreciated. once assets within the capital work-in-progress category are completed, they are reclassified to the relevant category and depreciated accordingly once they are put into use. Prepayments for property and equipment is included in capital work in progress.

4.3 Inventories

Inventories are measured-at the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

Cost comprises the purchase price, import duties, transportation handling and other direct costs incurred in bringing the inventories to their present location and condition. Cost is calculated using the following methods:

- Drilling related inventories are calculated using weighted average method;
- Aviation related inventories are calculated using specific identification method; and
- Catering related inventories are calculated using First-in-First Out (FIFO) method.

4.4 Financial instruments

(a) Recognition and initial measurement

Trade receivables 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 (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

(b) Classification and subsequent measurement

Financial assets

(i) Classification
The Group classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through OCI or through profit or loss), and
- those to be measured at amortised cost. The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or OCI. For investments in equity instruments that are not held for trading, this will depend on whether the group has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income (FVOCI). The group reclassifies debt investments when and only when its business model for managing those assets changes.

(ii) Recognition and derecognition
Regular way purchases and sales of financial assets are recognised on trade date, being the date on which the group commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the group has transferred substantially all the risks and rewards of ownership.

(iii) Measurement
At initial recognition, the group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss (FVPL), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in profit or loss.

Debt instruments
Subsequent measurement of debt instruments depends on the group's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the group classifies its debt instruments:

- **Amortised cost:** Assets that are held for collection of contractual cash flows, where those cash flows represent solely payments of principal and interest, are measured at amortised cost. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in other gains/(losses) together with foreign exchange gains and losses. Impairment losses are presented as separate line item in the statement of profit or loss.
- **FVOCI:** Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses, which are recognised in profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss. Interest income from these financial assets is included in finance income using the effective interest rate method. Foreign exchange gains and losses are presented in other gains/(losses), and impairment expenses are presented as separate line item in the statement of profit or loss.
- **FVPL:** Assets that do not meet the criteria for amortised cost or FVOCI are measured at FVPL. A gain or loss on a debt investment that is subsequently measured at FVPL is recognised in profit or loss and presented net within other gains/(losses) in the period in which it arises.

Equity instruments
The group subsequently measures all equity investments at fair value. Where the group's management has elected to present fair value gains and losses on equity investments in OCI, there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment. Dividends from such investments continue to be recognised in profit or loss as other income when the group's right to receive payments is established.

Financial liabilities

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

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

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

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

4.5 Impairment

The Group assesses on a forward-looking basis the expected credit losses associated with its debt instruments carried at amortised cost and FVOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For trade receivables, the group applies the simplified approach permitted by IFRS 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables, see Note 5 for further details.

4.6 Deferred acquisition costs (DAC)

An impairment review is performed at each reporting date or more frequently when an indication of impairment arises. When the recoverable amount is less than the carrying value, an impairment loss is recognised in profit or loss. DAC are included as a part of the liability adequacy test for each reporting period.

DAC are derecognised when the related contracts are either settled or disposed off.

4.7 Insurance contract liabilities

Insurance contract liabilities include the provision for outstanding claims, provision for claims incurred but not reported and the provision for unearned premium. Insurance contact liabilities are recognized when contracts are entered into and premiums are charged. The provision for outstanding claims is recognized for claims reported but not settled and accounts for the liability for unpaid loss and loss adjustment expense amounts based on the management's and loss adjusters' best estimate.

The provision for claims incurred but not reported is calculated based on empirical data, historical trends and patterns and appropriate assumption with the application of widely acceptable actuarial techniques.

The provision for unearned premium represents the portion of premium which relates to risks that have not expired as the reporting date. The provision for unearned premium is calculated based on the insurance service pattern provided by the insurance contract and is recognized as income over the term of the contract.

The Group reviews the adequacy of the provision for unearned premium to cover costs associated with liability arising from unexpired risk at each reporting date. Where the provision is considered inadequate to cover future contractual obligations for unexpired risks, a provision for premium deficiency is established and recognized.

4.8 Cash and cash equivalents

Cash and cash equivalents comprise cash at banks, cash in hand and short-term deposits. Short-term deposits held for the purpose of meeting short-term cash commitments rather than for investment or other purposes, capable of being readily convertible to a known amount of cash and with an insignificant risk of changes in value are classified as cash and bank balances.

4.9 Share capital

Ordinary shares and the special share issued by the Group are classified as equity. The special share grants rights to QatarEnergy as described in its Article of Association.

4.10 Revenue recognition

Revenue is recognised based on the amount of transaction price. Transaction price is the amount of consideration to which the Group expects to be entitled in exchange for transferring control over promised goods or services to a customer, excluding the amounts collected on behalf of third parties. For further details refer to the below table.

Performance obligations and revenue recognition policies

The following table provides information about the nature and timing of the satisfaction of performance obligations in contracts with customers, including significant payment terms, and the related revenue recognition policies.

Type of services	Nature, timing of satisfaction of performance obligations, significant payment terms
Drilling and related services	Customers generally contract for an agreement to provide integrated services to operate a rig and drill a well. The Group is seen by the operators as the overseer of all services. Consideration for activities that are not distinct within the scope of contracts, such as mobilization, and demobilization do not align with a distinct time increment within the contract term are allocated across the single performance obligation and are recognised over the expected recognition period in proportion to the passage of each hour available to drill. Drilling services are consumed as the services are performed and generally enhance a well site which the customer controls. Work performed on a well site does not create an asset with an alternative use to the contractor since the well/asset being worked on is owned by the customer. Therefore, the Group's measure of progress for a drilling contract is hours available to drill over the contracted duration. This unit of measure is representative of an output method as described in IFRS 15. Customers are invoiced on a monthly basis and consideration is payable when invoiced.
Management fees	The Group entered into an agreement to provide management services to one of its Joint Venture entities. Revenue from management fee is recognized over time as the customer benefits from the services as they are provided. Revenue is recognised over time as the services are provided using the input method. Customers are invoiced on a monthly basis and consideration is payable when invoiced.
Aviation revenue - Helicopter transportation services, operation services (MRO) and training services.	The revenue is derived from helicopter transportation services, operations services and training services. **Transportation services** The revenue from helicopter transportation services includes air-charter, tourist flights, aerial photo flights, air ambulance and related services. Revenue is recognised as the transportation services have been provided. Customers are invoiced on a monthly basis and consideration is payable when invoiced. **Operation services (MRO)** The revenue from operation services includes servicing and maintenance of charters and helicopters of the customers. Revenue is recognised as the services have been provided. Customers are invoiced on a monthly basis and consideration is payable when invoiced. **Training services** The revenue from training services includes flight training provided to the customers. Revenue is recognised as the services have been provided. Customers are invoiced on a monthly basis and consideration is payable when invoiced. Revenue is recognised over time as the services are provided. For fixed-price contracts, revenue is recognised based on the actual service provided to the end of the reporting period as a proportion of the total services to be provided, because the customer receives and uses the benefits simultaneously. This is determined based on the flying hours spent relative to the total hours agreed in the contract.
Supply of spare parts	The Group provides spare parts of helicopters to its customers. The revenue is recognised point in time when control is transferred, being when the spare parts are delivered to the customer. The revenue is recognised point in time when control is transferred, being when the spare part are delivered to the customer.

Premiums and reinsurance premiums are taken into income over the terms of the policies to which they relate. Gross insurance and reinsurance written premiums comprise the total premiums receivable for the whole period of cover provided by contracts entered into during the accounting period. They are recognised on the date on which the policy commences.

Unearned premiums represent the portion of net premiums written relating to the unexpired period of coverage calculated at actual number of days method (daily pro-rata basis). The change in the provision for unearned premium is taken to the statement of income in order that revenue is recognised over the period of risk.

4.11 Segment reporting

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. An operating segment's results are reviewed regularly by the Board of Directors to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available (Note 33).

Segment results that are reported to the Board of Directors include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly the parent company assets and related general and administrative expenses and goodwill recognized on business combination.

4.12 Social fund contribution

The Group makes contributions equivalents to 2.5% of the adjusted consolidated net profit for the year into a state social fund for the support of sports, cultural, social and charitable activities. This is presented in the statement of changes of equity as an appropriation of profit in accordance with Law No. 13 of 2008.

4.13 Dividend distributions

Dividend distributions are at the discretion of the Group. A dividend distribution to the Group's shareholders is accounted for as a deduction from retained earnings. A declared dividend is recognised as a liability in the period in which it is approved by the shareholders.

4.14 Income tax

International Tax Reform—Pillar Two Model Rules – Amendments to IAS 12

The International Tax Reform - Pillar Two Model Rules (Amendments to IAS 12) provide a temporary mandatory exception from deferred tax accounting which is effective immediately and require new disclosures about the Pillar Two exposure. However, since in Qatar, where the Company and its parent QatarEnergy operates, have not enacted or substantively enacted the tax legislation related to the top-up tax as at the reporting date, there is no impact on the Group's financial statements as at and for the year ended 31 December, 2023. Management is closely monitoring developments related to the implementation of the international tax reforms introducing a global minimum top-up tax. The adoption of the new accounting standards and amendments did not have a significant impact on the Company's separate financial statements for this year.

Current tax

The Company's profits are exempt from income tax in accordance with the provisions of Qatar's Income Tax Law No. 24. of 2018. Current tax in these financial statements comprises the expected tax payable on the taxable income for the year and any adjustment to the tax payable in respect of previous years related to the subsidiaries of the Group as per the tax laws and relevant subsequent executive regulations applicable in Qatar as at the reporting date. Refer to Note 30 for further details related to settlement mechanism of the above tax liabilities.

4.15 Hyperinflation

The Group has operations in Turkey through its indirect subsidiary namely Redstar Havacilik Hizmetleri AS. The functional currency of the subsidiary in Turkey is Turkish Lira. From 1 April 2022, the Turkish economy has been considered hyperinflationary based on the characteristics established by International Accounting Standard 29, 'Financial Reporting in Hyperinflationary Economies' ('IAS 29'). This designation is determined following an assessment of a series of qualitative and quantitative circumstances, including the presence of a cumulative inflation rate of more than 100% over the previous three years. IAS 29 requires that the financial statements of the subsidiary are stated in terms of the measuring unit current at the balance sheet date which requires restatement of the non-monetary assets and liabilities of the subsidiary to reflect the changes in the general purchasing power of the Turkish Lira.
The basic principles applied in the accompanying consolidated financial statements, are summarized in the following paragraphs.

Adjustment for prior years

The comparative amounts in consolidated financial statements presented in a stable currency are not adjusted for subsequent changes in the price level or exchange rates. Opening equity in the consolidated financial statement reported in the stable currency will be affected by:

- the effect of restating non-monetary items from the date they were first recognised; and
- the effect of translating those balances to the closing rate

This results in a difference between the closing equity of the previous year in the consolidated financial statements and the opening equity of the current year. The combined effect of restating in accordance with IAS 29 and translation according to IAS 21 is presented as a net change in other comprehensive income (OCI)

Adjustment for current year

Monetary assets and liabilities, which are carried at amounts current at the date of consolidated statement of financial position, are not restated because they are already expressed in terms of the monetary unit current at the date of consolidated statement of financial position. Non-monetary assets and liabilities, which are not carried at amounts current at the date of consolidated statement of financial position, and components of owners' equity are restated by applying the relevant conversion factors. Net monetary gain arising from hyperinflation is recognized in the consolidated statement of profit or loss and other comprehensive income. All items in the statement of profit or loss are restated by applying the conversion factors from the date on which the transaction originated except for those amounts deriving from non-monetary items, which are calculated based on the restated values of the related items.

The effect of application indices on the Group's net monetary position is included in the consolidated statement of profit or loss as monetary gain or loss.

All items in the consolidated statement of cash flows are expressed in a measuring unit current at the date of consolidated statement of financial position; they are therefore restated by applying the relevant conversion factors from the date on which the transaction originated.

4.16 Leases

The leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Group.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable, if any; and
- payments of penalties for terminating the lease, if the lease term reflects the Group exercising that option.

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the group, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

To determine the incremental borrowing rate, the Group:

- uses a build-up approach that starts with a risk-free interest rate adjusted for credit risk for leases held by the Group, which does not have recent third party financing, and
- makes adjustments specific to the lease, e.g. term, country, currency and security.

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability;
- any lease payments made at or before the commencement date less any lease incentives received
- any initial direct costs, and
- restoration costs.

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the group, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

Payments associated with short-term leases are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less from the date of contract.

(ALL AMOUNTS ARE EXPRESSED IN QATARI RIYALS '000 UNLESS OTHERWISE STATED)

5. FINANCIAL RISK AND CAPITAL MANAGEMENT

5.1 FINANCIAL RISK MANAGEMENT

The Group has exposure to the following risks from its use of financial instruments:

(a) Underwriting risk;
(b) Credit risk;
(c) Liquidity risk; and
(d) Market risk.

This note presents information about the Group's exposure to each of the above risks, the Group's objectives, policies and processes for measuring and managing risk. Further 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. The Group's risk management policies are established to identify and analyse the risks faced by the Group and to monitor risks.

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.

(a) Underwriting risk

Underwriting risk comprises insurance risk, policyholder persistency risk and expense risk. The Group manages its underwriting risk based on the underwriting policy as approved by the Executive Risk Committee. The Risk Management Committee monitors the adequate application of the policy, and it reviews the trends in pricing, loss ratios and underwriting risks. The Committee is also involved in decisions made by the Executive Risk Committee on underwriting, pricing and market strategy.

Underwriting risk management – Property and Casualty
The frequency and severity of claims can be affected by several factors. The most significant are the level of awards for morbidity risk (for example, health recovery and incapacity for work) and the number of cases coming to court, especially for bodily injuries. This can be summarised as legislation risk. The amount of awards and the time for court settlement are set by the legislation. The above risk exposure is mitigated by diversification across a large portfolio of insurance contracts.

The Group manages these risks through its underwriting strategy (two of the techniques that are pivotal for automobile insurance are product pricing and portfolio segmentation), adequate reinsurance arrangements and proactive claims handling. The objective of the underwriting strategy is to ensure that the underwritten risks are well diversified in terms of type and amount of risk. The variability of risks is improved by the careful selection and implementation of underwriting strategies, which are designed to ensure that risks are diversified in terms of type of risk and level of insured benefits.

The Group has limited its exposure by imposing maximum claim amounts on certain contracts, as well as using reinsurance arrangements in order to limit its exposure to aggregate amount of claims (for example, third party liability claims). The effect of such reinsurance arrangements is that the Group should not suffer total insurance losses above a certain level.

Underwriting limits are in place to enforce appropriate risk selection criteria. For example, the Group has the right not to renew individual policies, to re-price the risk on renewal, to impose deductibles, and to reject the payment of a fraudulent claim. Claims payment limits are always included to cap the amount payable on occurrence of the insured event.

Insurance contracts also entitle the Group to pursue third parties for payment of some or all costs (for example, subrogation).

The Group has a specialised claims unit dealing with the mitigation of risks surrounding known claims. This unit investigates and adjusts all material or suspicious claims. The claims are reviewed individually at least annually and adjusted to reflect the latest information on the underlying facts, current law, contractual terms and conditions, and other factors. The Group actively manages and pursues early settlements of claims, to reduce its exposure to unpredictable developments.

Expense risk

Expense risk is the risk of unexpected increases in policy maintenance, claim handling and other costs relating to fulfilment of insurance contracts. The risk is managed through budgeting and periodic cost evaluations.

(b) Credit risk

Credit risk arises from cash and cash equivalents, contractual cash flows of debt investments carried at amortised cost, at fair value through other comprehensive income (FVOCI) and at fair value through profit or loss (FVPL), and deposits with banks and financial institutions, as well as outstanding receivables.

(i) Risk management
Credit risk is managed on a group basis. For banks, the group only deals with the reputed banks in the country. If wholesale customers are independently rated, these ratings are used. Otherwise, if there is no independent rating, risk control assesses the credit quality of the customer, taking into account its financial position, past experience and other factors. Individual risk limits are set based on internal or external ratings in accordance with limits set by the board. There are no significant concentrations of credit risk, whether through exposure to individual customers, specific industry sectors and/or regions. The group's investments in debt instruments are considered to be low risk investments. The credit ratings of the investments are monitored for credit deterioration.

(ii) Security
For some trade receivables the group may obtain security in the form of guarantees, deeds of undertaking or letters of credit which can be called upon if the counterparty is in default under the terms of the agreement.

(iii) Impairment of financial assets
The Group recognises loss allowances for ECLs on:
- Trade receivables;
- Other receivables;
- Other financial assets at amortised cost
- Debt investments measured at FVOCI; and
- Contract assets.

Trade receivables and contract assets

The group applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables and contract assets.

To measure the expected credit losses, trade receivables and contract assets have been grouped based on shared credit risk characteristics and the days past due. The contract assets relate to unbilled work in progress and have substantially the same risk characteristics as the trade receivables for the same types of contracts. The group has therefore concluded that the expected loss rates for trade receivables are a reasonable approximation of the loss rates for the contract assets.

The expected loss rates are based on the payment profiles of sales over a period of 24 months before 31 December 2023 or 1 January 2023 respectively and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. The Group has identified the GDP in which it sells its goods and services to be the most relevant factors, and accordingly adjusts the historical loss rates based on expected changes in these factors.

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.

	Current (not past due)	1-90 days past due	91–180 days past due	181–365 days past due	More than 365 days past due	Total
31 December 2023						
Gross carrying amount – trade receivables	**703,555**	**67,021**	**17,262**	**75,554**	**57,023**	**920,415**
Gross carrying amount – contract assets	**19,784**	**-**	**-**	**-**	**-**	**19,784**

	Current (not past due)	1-90 days past due	91–180 days past due	181–365 days past due	More than 365 days past due	Total
31 December 2022						
Gross carrying amount – trade receivables	851,276	38,155	10,136	55,994	55,563	1,011,124
Gross carrying amount – contract assets	93,979	-	-	-	-	93,979

Trade receivables and contract assets are written off where there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of a debtor to engage in a repayment plan with the group, and a failure to make contractual payments for a period of greater than 365 days past due.

Impairment losses on trade receivables and contract assets are presented as net impairment losses within operating profit. Subsequent recoveries of amounts previously written off are credited against the same line item.

Debt investments

All of the Group's debt investments at amortised cost and FVOCI are considered to have low credit risk , and the loss allowance recognised during the period was therefore limited to 12 months' expected losses. Management consider 'low credit risk' for listed bonds to be an investment grade credit rating with at least one major rating agency. Other instruments are considered to be low credit risk where they have a low risk of default and the issuer has a strong capacity to meet its contractual cash flow obligations in the near term.

Other financial assets at amortised cost

Other financial assets at amortised cost include short term investments with local banks.

Debt instruments measured at FVOCI

Debt investments at fair value through other comprehensive income (FVOCI) include managed funds and, listed and unlisted debt securities. The loss allowance for debt investments at FVOCI is recognised in profit or loss and reduces the fair value loss otherwise recognised in OCI.

(c) Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. Management's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

Management monitors rolling forecasts of the group's liquidity reserve (comprising the undrawn borrowing facilities and cash and cash equivalents) on the basis of expected cash flows. This is generally carried out at local level in the operating companies of the Group, in accordance with practice and limits set by the group.

These limits vary by location to take into account the liquidity of the market in which the entity operates. In addition, the group's liquidity management policy involves projecting cash flows in major currencies.

Maturities of financial liabilities

The table below summarizes the maturity profile of the financial liabilities of the Group as at 31 December based on remaining undiscounted contractual obligations.

	Contractual cash flows			
	Less than 6 months	6 months to 1 year	More than 1 year	Total
At 31 December 2023				
Loans and borrowings	**181,283**	**181,283**	**5,609,364**	**5,971,930**
Insurance contract liabilities	**351,028**	**351,028**	**549,820**	**1,251,876**
Trade payables, accruals and other payables	**636,542**	**2,163**	**-**	**638,705**
Dividends payable	**47,079**	**-**	**-**	**47,079**
Lease liabilities	**2,023**	**3,228**	**23,134**	**28,385**
Contract liabilities	**2,730**	**-**	**-**	**2,730**
	1,220,685	**537,702**	**6,182,318**	**7,940,705**

	Contractual cash flows			
	Less than 6 months	6 months to 1 year	More than 1 year	Total
At 31 December 2022				
Loans and borrowings	1,145,660	590,188	2,639,072	4,374,920
Insurance contract liabilities	240,996	240,996	597,713	1,079,705
Trade payables, accruals and other payables	727,858	2,163	-	730,021
Dividends payable	48,619	-	-	48,619
Lease liabilities	31,938	2,000	7,432	41,370
Contract liabilities	14,590	-	2,730	17,320
	2,209,661	835,347	3,246,947	6,291,955

It is not expected that the cash flows included in the maturity analysis could occur significantly earlier, or at significantly different amounts.

5.2 MARKET RISK

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

(a) Interest rate risk

Interest rate risk arises when the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's management monitors the interest rate fluctuations on a continuous basis and acts accordingly.

The interest rate profile of the Group's interest-bearing financial instruments is as follows:

	2023	2022
Fixed rate instruments		
Financial assets		
Short term investments and term deposits	**718,793**	746,126
Variable rate instruments		
Financial liabilities		
Loans and borrowings	**4,406,830**	4,368,055

Exposure to interest rate risk

Bank deposits are agreed at fixed rates, and hence does not exposes the Group to interest rate risk. Interest bearing loans and borrowings are issued at variable rates, which exposes the Group to cash flow interest rate risk. The Group's management monitors the interest rate fluctuations on a continuous basis and acts accordingly.

(b) 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), whether 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.

The Group's equity price risk exposure relates to financial assets and financial liabilities whose values will fluctuate as a result of changes in market prices, principally investment in equity securities.

The Group's price risk policy requires it to manage such risks by setting and monitoring objectives and constraints on investments, diversification plans, limits on investments in each sector. The Group has no significant concentration of price risk.

The Group limits equity price risk by maintaining a diversified portfolio and by continuous monitoring of its investments. The majority of the Groups's equity investments comprise securities quoted on the Qatar Exchange.

A 10% change in the prices of equities, with all other variables held constant, would impact equity and consolidated statement of profit or loss by QR 12.97 million (2022: QR 11.68 million).

(c) Currency risk

Foreign exchange risk arises when future commercial transactions or recognised assets or liabilities are denominated in a currency that is not the group entity's functional currency.

The Group is exposed to transactional foreign currency risk to the extent that there is a mismatch between the currencies in which sales, purchases, receivables and borrowings are denominated and the respective functional currencies of Group companies. The functional currencies of Group companies are primarily Qatari Riyal and Turkish Lira, the currencies in which these transactions are primarily denominated are US Dollar and Euro.

The transactions of the Group in the US Dollar bear no foreign currency risk as the US Dollar is pegged with the Qatari Riyal. With respect to Euro, management monitors the exchange rate fluctuations on a continuous basis and makes its effort to limit the transaction in these currencies without causing interruption to its operations.

The group's exposure to foreign currency risk at the end of the reporting period, expressed in Qatari Riyals, was as follows:

Net Exposure (Liability)	**2023**	2022
Euro	**108,125**	16,145

	Increase/ decrease in Euro to the QR	*Effect on profit before tax*
2023	**+/- 3%**	**444,741**
2022	+/- 3%	62,367

5.3 CAPITAL MANAGEMENT

The primary objective of the Group's capital management is to ensure that it maintains a strong capital base in order to support its business and to sustain future development of the business. Management monitors its capital structure and makes adjustments to it, in light of economic conditions.

The Group monitors capital using a ratio of 'net debt' to 'equity'. The Group's capital management policy remained unchanged since the previous year.

	2023	2022
Total borrowings (i)	**4,406,830**	4,368,055
Lease liability	**28,385**	41,371
Less: Cash and cash equivalents*	**(1,248,900)**	(1,093,954)
Net debt	**3,186,315**	**3,315,472**
Total equity (ii)	**3,836,653**	3,628,589
Net debt to equity ratio	**0.83**	0.91

* Cash and cash equivalents and short-term investments.

(i) Total borrowings are defined as short and long-term borrowings (loan and borrowings) as detailed in Note 19.
(iii) Total equity includes all capital, retained earnings and reserves of the Group that are managed as capital.

6. PROPERTY AND EQUIPMENT

	Freehold land	Buildings	Rigs	Machineries	Aircraft	Other property and equipment	Capital work-in-progress	Total
Cost:								
As at 1 January 2023	90,826	172,764	6,573,810	1,269,415	1,670,155	653,289	173,553	10,603,812
Additions	-	986	1,744	105,042	108,773	52,348	64,407	333,300
Transfers	-	-	34,327	367	-	670	(35,364)	-
Disposals	-	-	-	-	(37,440)	(5,002)	(391)	(42,833)
Write-offs	-	-	-	(10,305)	-	(11,979)	-	(22,284)
Effect of hyperinflation	-	-	-	-	68,521	4,069	-	72,590
Effect of movements in exchange rates	-	(268)	-	-	(76,466)	(6,483)	(4,541)	(87,758)
Disposal of a subsidiary	-	(53,467)	-	(62,721)	-	(52,741)	-	(168,929)
As at 31 December 2023	90,826	120,015	6,609,881	1,301,798	1,733,543	634,171	197,664	10,687,898
Accumulated depreciation and impairment losses:								
As at 1 January 2023	-	105,948	2,469,207	948,404	956,491	562,806	-	5,042,856
Depreciation charge for the year	-	3,037	202,624	51,812	49,812	43,953	-	351,238
Impairment loss (Note 6.3)	-	-	-	-	7,316	-	-	7,316
Disposals	-	-	-	-	(35,611)	(4,478)	-	(40,089)
Write-offs	-	-	(797)	-	(9,508)	(10,714)	-	(21,019)
Effect of hyperinflation	-	-	-	-	14,836	920	-	15,756
Effect of movements in exchange rates	-	(244)	-	-	(11,428)	(3,794)	-	(15,466)
Disposal of a subsidiary	-	(47,440)	-	(57,723)	-	(54,140)	-	(159,303)
As at 31 December 2023	-	61,301	2,671,034	942,493	971,908	534,553	-	5,181,289
Net carrying value:								
As at 31 December 2023	90,826	58,714	3,938,847	359,305	761,635	99,618	197,664	5,506,609

	Freehold land	Buildings	Rigs*	Machineries*	Aircraft*	Other property and equipment	Capital work-in-progress	Total
Cost:								
As at 1 January 2022	90,826	172,752	6,573,810	1,163,069	1,613,262	632,181	48,731	10,294,631
Additions	-	-	-	81,158	17,660	26,253	150,916	275,987
Transfers	-	-	-	33,445	(6,534)	357	(27,268)	-
Disposals	-	-	-	(8,257)	862	(4,433)	(687)	(12,515)
Write-offs	-	-	-	-	(6,103)	(7,110)	-	(13,213)
Effect of hyperinflation	-	-	-	-	78,013	8,333	2,443	88,789
Effect of movements in exchange rates	-	12	-	-	(27,005)	(2,292)	(582)	(29,867)
As at 31 December 2022	90,826	172,764	6,573,810	1,269,415	1,670,155	653,289	173,553	10,603,812
Accumulated depreciation and impairment losses:								
As at 1 January 2022	-	101,080	2,266,476	893,301	909,160	533,333	-	4,703,350
Depreciation charge for the year	-	4,858	202,731	55,959	48,276	35,649	-	347,473
Impairment loss (Note 6.3)	-	-	-	-	2,202	-	-	2,202
Disposals	-	-	-	(856)	(6,437)	(3,901)	-	(11,194)
Write-offs	-	-	-	-	(5,928)	(6,874)	-	(12,802)
Effect of hyperinflation property	-	-	-	-	-	2,141	-	2,141
Effect of movements in exchange rates	-	10	-	-	12,778	(1,102)	-	11,686
As at 31 December 2022	-	105,948	2,469,207	948,404	960,051	559,246	-	5,042,856
Net carrying value:								
As at 31 December 2022	90,826	66,816	4,104,603	321,011	710,104	94,043	173,553	5,560,956

*Management has further disaggregated the property and equipment by class compared to prior year to improve the presentation of the consolidated financial statements.

6.1 Freehold land mainly comprises of a plot of land acquired by Al Koot Insurance and Reinsurance Company P.J.S.C. for the purpose of setting up an administrative and operations office.

6.2 Depreciation charge for the continuing operations for the year has been included in the consolidated statement of profit or loss as follows:

	2023	2022
Cost of sales	**346,593**	343,643
General and administrative expenses	**4,645**	3,830
	351,238	347,473

6.3 Aircraft (Bell series)

Management has identified that the Bell series within the aviation segment is becoming technologically obsolete and does not foresee sustainable stream of revenue. On that basis management has impaired the Bell series within the aviation segment down to its fair value less cost to sell using market prices adjusted for the condition of the aircraft (Level 3). The carrying exceeded the recoverable amount and therefore management recognized an additional impairment of QR 7.3 million during the year (2022: QR 2 million). The carrying value of Bell series after the cumulative impairment amounted to QR 19.2 million as of 31 December 2023

Drilling Rigs

Further as of 31 December 2023 management has carried out an assessment of impairment of its rigs in light of the external indicators, current economic conditions surrounding the oil prices and market rates of such assets. The Group considers each of its drilling rigs within the drilling segment as individual CGUs. The recoverable amount was determined by the Value in Use method which uses the CGUs discounted projected cashflows.

Based on the assessment, recoverable amount of each CGU was found to be more than its carrying value. The impairment model did not identify any impairment losses.
Management has determined the values assigned to each of the above key assumptions as follows:

Assumption	**Approach used to determine values**	**Rigs average rate**
Average revenue growth rate	Revenue assumptions are contractual when possible, with an average annual revenue growth rate over the forecasted period based on management's expectation of market development and product performance, based on anticipated new customers being added to the e-commerce platform.	4.4%
Pre-tax discount rate	Weighted Average Cost of Capital (WACC)	9.5%

Management has identified that a reasonably possible change in the WACC assumptions for Rigs could cause the carrying amount to exceed the recoverable amount. Reduction in the growth rate by 0.5% will result in an impairment of QR 116 million. The impairment models were not significantly sensitive to other assumptions.

7. DISCONTINUED OPERATIONS

On 16 October 2023, one of the subsidiaries of the Group namely Amwaj Catering Services, which represents the Group's catering segment, acquired 100% shares of selected entities of Shaqab Abela Catering Services Company and Atyab Fruits and Vegetables. Simultaneously the Group transferred 35.7% of its ownership in Amwaj Catering Services to Tamween Capital, and 34.3% to Abela Qatar International ("AQI"). The Group retained the remaining 30% in Amwaj Catering Services.

The transaction resulted in the deconsolidation of Amwaj Catering Services and recognition of the retained interest as an equity accounted investment with 30% ownership at fair value. Accordingly, the subsidiary is reported in the current period as a discontinued operation until the date of deconsolidation. A loss was recognised on the transaction by the Group of QR 26 million within loss from discontinued operation.

The financial performance and cash flow information presented are for the period from 1 January 2023 to 16 October 2023 (2023 column) and the year ended 31 December 2022.

(ALL AMOUNTS ARE EXPRESSED IN QATARI RIYALS '000 UNLESS OTHERWISE STATED)

For the period/year ended	16 October 2023	31 December 2022
Revenue	351,485	616,420
Expenses	(349,381)	(615,087)
Profit before income tax	2,104	1,333
Income tax expense	(62)	(607)
Profit after income tax of discontinued operation	2,042	726
Loss on sale of the subsidiary after income tax	(26,279)	-
(Loss) / Profit from discontinued operation	(24,237)	726
Net cash (outflow) / inflow from operating activities	97,589	(1,095)
Net cash (outflow) / inflow from investing activities	(5,592)	21,329
Net cash outflow from financing activities	(85,977)	(13,781)
Net increase in cash generated by the subsidiary	6,020	6,453

Purchase consideration cash outflow as at 16 October	2023
Cash consideration	-
Less cash disposed	(127,414)
Net outflow of cash investing activities	(127,414)

Details of the of the subsidiary deconsolidated as at 16 October	2023
Consideration - Fair value of retained interest in Amwaj	344,623
Less carrying amount of net assets deconsolidated*	(370,902)
Loss on disposal	(26,279)
Amwaj's profit for the period until deconsolidation	2,042
Loss from discontinued operation	(24,237)

*This includes QR 303 million of goodwill

The carrying amounts of assets and liabilities as at the date of deconsolidation, 16 October 2023, were:

	2023
Property and equipment	9,626
Right-of-use assets	35,869
Total non-current assets	45,495
Inventories	13,768
Trade and other receivables	130,170
Cash and bank balances	127,414
Total current assets	271,352
Total assets	316,847
Lease liabilities	8,433
Provision for employees' end of service benefits	32,025
Provision for decommissioning costs	46,079
Total non-current liabilities	86,537
Lease liabilities	26,987
Trade and other payables	135,980
Total current liabilities	162,967
Total liabilities	249,504

In compliance with the provisions of International Accounting Standard (IAS 28) 'Investments in associates and joint ventures' a notional purchase price allocation (NPPA) was undertaken to account for the transaction. Based on the provisional NPPA performed, customer contracts of QR 11.6 million, and goodwill of QR 294 million were identified as intangible assets.

The Group applied judgment with the support of an independent valuer in order to determine the fair values of the combining entities and the fair values that formed part of the notional purchase price allocation using discounted cashflows.

8. RIGHT-OF-USE ASSETS

Amounts recognised in the consolidated statement of financial position

The statement of financial position shows the following amounts relating to leases:

Right-of-use assets

	2023	2022
Buildings	11,966	46,072
Land	16,420	3,499
	28,386	49,571

	2023	2022
Balance at 1 January	49,571	65,664
Additions for the year	28,385	15,073
Amortisation during the year	(13,701)	(31,166)
Disposal of subsidiary	(35,869)	-
	28,386	49,571

The Group had disposed of Amwaj during the year which held a right of use assets amounting to QR 36 million as of the disposal date.

9. LEASE LIABILITIES

Lease liabilities

1) Amounts recognized in the consolidated statement of financial position

The Group has recorded lease liabilities as below:

	2023	2022
Balance at 1 January	41,371	44,815
Additions for the year	28,386	15,073
Finance cost for the year	202	535
Payments made during the year	(6,154)	(19,052)
Disposal of subsidiary	(35,420)	-
	28,385	41,371

	2023	2022
Non-current liabilities	23,135	7,432
Current liabilities	5,250	33,939

2) Amounts recognized in the consolidated statement of profit or loss and other comprehensive income

The statement of profit or loss and other comprehensive income shows the following amounts relating to leases:

	2023	2022
Interest expense (included in finance cost)	202	535
Amortisation of right of use assets	13,701	31,166

10. EQUITY-ACCOUNTED INVESTEES

Name of entity	% of ownership 2023	% of ownership 2022	2023	2022
Amwaj Catering	30%	100%	349,519	-
Gulfdrill L.L.C.	50%	50%	31,854	12,933
Immaterial joint ventures	49%	49%	8,679	15,155
Total equity accounted investees			390,052	28,088

The movement in the material equity accounted investees is as follows:

	Amwaj Catering	Gulfdrill L.L.C.
Beginning of the year	-	12,933
Additions	344,623	-
Profit for the period/year	3,962	18,080
Other adjustments	934	841
Dividends paid	-	-
	349,519	31,854

a) Summarised financial information for equity accounted investees

The tables below provide summarised financial information for equity accounted investees and the Group's share of those amounts. They have been amended to reflect adjustments made by the entity when using the equity method, including fair value adjustments and modifications for differences in accounting policy.

Summarised statement of financial position	Amwaj Catering 2023	Amwaj Catering 2022	Gulfdrill L.L.C. 2023	Gulfdrill L.L.C. 2022
Current assets				
Cash and cash equivalents	175,773	-	1,369	26,516
Other current assets	390,354	-	505,660	375,404
Total current assets	566,127	-	507,029	401,920
Non-current assets	186,476	-	365,011	291,705
Current liabilities				
Financial liabilities (excluding trade payables)	126,765	-	-	147,477
Other current liabilities	340,837	-	294,975	396,517
Total current liabilities	467,602	-	294,975	543,994
Non-current liabilities				
Financial liabilities (excluding trade payables)	18,802	-	368,927	74,853
Other non-current liabilities	114,378	-	146,399	49,200
Total non-current liabilities	133,180	-	515,326	124,053
Net assets	151,821	-	61,739	25,578
Group's share in %	30%	-	50%	50%
Group's share	45,546	-	30,869	12,789
Other adjustments	9,621	-	985	144
Goodwill (Note 7)	294,352	-	-	-
Carrying amount	349,519	-	31,854	12,933

Summarised statement of comprehensive income	Amwaj Catering 2023	Amwaj Catering 2022	Gulfdrill L.L.C. 2023	Gulfdrill L.L.C. 2022
Revenue	468,330	-	724,148	711,291
Interest income	5,256	-	-	-
Depreciation and amortisation	(28,304)	-	(171,764)	(148,639)
Interest expense	(3,078)	-	(14,688)	(19,435)
Other operating expenses	(428,837)	-	(497,517)	(507,098)
Income tax expense	(160)	-	(4,018)	(2,504)
Profit for the period	13,207	-	36,161	33,615
Total comprehensive income	13,207	-	36,161	33,615

b) Individually immaterial joint ventures

In addition to the interests in the investments disclosed above, the Group also has interests in a number of individually immaterial joint ventures that are accounted for using the equity method.

	2023	2022
Aggregate carrying amount of individually immaterial joint ventures	15,155	12,078
Aggregate amounts of the Group's share of profit	981	4,644
Dividends received	(3,920)	(1,567)
Disposal	(3,537)	-
	8,679	15,155

11. FINANCIAL INVESTMENTS

The carrying amounts of the Group's financial investments are as follows:

	2023	2022
Investments measured at fair value through profit or loss (FVTPL)		
- Quoted debt securities (i)	133,094	123,043
- Quoted equity securities (i)	206,527	171,538
- Quoted shares in Qatari public shareholding companies	129,721	143,604
	469,342	438,185
Investments measured at fair value through other comprehensive income (FVOCI)		
- Quoted debt securities (ii)	334,696	284,367
- Managed funds	33,251	22,222
- Unquoted shares	2	3
	367,949	306,592

(i) These are acquired and incurred principally for the purpose of selling or repurchasing them in the near term or to take advantage of short term market movements.
(ii) Quoted debt securities at FVOCI are with an original maturity of ranging between one to nine years.
(iii) Financial investments at FVTPL and FVOCI, except unquoted shares, have been valued using Level 1 measurement basis and there have been no transfers between Level 1 and Level 2 fair value measurements.

Financial investments are presented in the consolidated statement of financial position as follows:

	2023	2022
Non-current assets	367,949	306,592
Current assets	469,342	438,185
	837,292	744,777

Movement in provision for financial investments were as follows:

	2023	2022
Balance at 1 January	4,274	7,898
Provision reversed during the year	237	(3,624)
Balance at 31 December	4,511	4,274

12. INVENTORIES

	2023	2022
Spare parts	494,303	432,013
Catering inventories	-	14,346
	494,303	446,359
Less: Provision for slow-moving and obsolete inventories	(53,952)	(53,189)
	440,351	393,170

Inventories consumed during the year are recognized as expenses in 'Cost of sales' (Note 26).
Movement in provision for slow-moving and obsolete inventories during the year were as follows:

	2023	2022
Balance at 1 January	53,189	71,877
Provision made during the year	763	1,554
Provision utilised during the year	-	(20,242)
Balance at 31 December	53,952	53,189

The movement in provision for slow-moving and obsolete inventories is included in 'General and administrative expenses' (Note 29).

13. TRADE AND OTHER RECEIVABLES

	2023	2022
Trade receivables	920,887	1,024,069
Contract assets	6,680	80,875
	927,567	1,104,944
Less: Provision for impairment of trade and other receivables	(57,023)	(75,771)
	870,544	1,029,173

Movement in provision for impairment of trade and other receivables is as follows:

	2023	2022
Balance at 1 January	75,771	73,012
Disposal of subsidiary	(20,208)	-
Provision made during the year	1,460	2,759
	57,023	75,771

Provision for impairment loss/ (reversal of impairment) on financial assets is presented in consolidated statement of profit or loss and other comprehensive income and analysed as follows:

	2023	2022
Financial investments (Note 11)	(237)	(3,624)
Trade and other receivables (Note 13)	1,460	2,759
Short-term investments	118	(2,914)
Cash and bank balances (Note 15)	-	426
	1,341	(3,353)

Contract assets presented in the consolidated statement of financial position as follows:

	2023	2022
Current	6,680	80,875
Non-current	13,104	13,104
	19,784	93,979

Contracts assets have reduced during the year mainly due to the disposal of Amwaj.

14. SHORT TERM INVESTMENTS

	2023	2022
Short term investments	718,793	746,126

15. CASH AND BANK BALANCES

	2023	2022
Cash in hand	229	1,091
Cash at bank		
- Current accounts and call deposits	529,878	206,350
- Fixed and term deposits (1) & (2)	-	140,813
	530,107	348,254
Less: Provision for impairment of bank balances	-	(426)
Cash and cash equivalents as per consolidated statement of cash flows	530,107	347,828

(1) These fixed deposits held with banks are held for the purpose of meeting short-term cash commitments rather than for investment or other purposes, capable of being readily convertible to a known amount of cash and with an insignificant risk of changes in value.

15.1 OTHER BANK BALANCES

	2023	2022
Cash at banks - restricted for dividend (Note 23)	47,079	48,619
	47,079	48,619

16. SHARE CAPITAL

	2023	2022
Issued and paid-up capital	1,858,409	1,858,409

The Group has an authorised share capital of QR 2,000 million, divided into 1 special share of nominal value of QR 1 and 1,999,999,999 ordinary shares of each of nominal value of QR 1. As at the reporting date, the Group had issued and paid up capital of QR 11,858,409 thousand (2022: QR 11,858,409 thousand) which consists of 1 special share of nominal value of QR 1 and 1,858,408,689 ordinary shares each of nominal value of QR 1 (2022: 1 special share of nominal value of QR 1 and 1,858,408,689 ordinary shares each of nominal value of QR 1). The special share is owned by QatarEnergy and may not be cancelled or redeemed without the consent of the QatarEnergy. The special share grants rights to QatarEnergy as described in its Article of Association.

Special share may be transferred only to the Government, any Government Corporation or any QatarEnergy affiliate. All ordinary shares carry equal rights.

17. RESERVES

(a) Legal reserve

The Articles of Association of the Company states that prior to recommending any dividend for distribution to the Shareholders, the Board shall ensure proper reserves are established in respect of voluntary and statutory reserves considered by the Board to be necessary or appropriate.

(b) General reserve

The general reserve is maintained in accordance with the provisions of the Articles of Association of the Company to meet any unforeseen future events. The balance under this reserve is not available for distribution, except in the circumstances specified in the Articles of Association

(c) Translation reserve

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

(d) Fair value reserve

The fair value reserve comprises the cumulative net change in the fair value of quoted debt securities, managed funds and unquoted investments.

18. OTHER CURRENT ASSETS

	2023	2022
Advances to employees	38,035	46,122
Advances to suppliers	111,581	74,711
	149,616	120,833

19. LOANS AND BORROWINGS

	2023	2022
Loans related to drilling segment (i)	4,380,446	4,358,044
Loans related to aviation segment (ii)	26,384	10,011
	4,406,830	4,368,055

The movements of loans and borrowings were as follows:

	2023	2022
Balance at 1 January	4,368,055	4,366,861
Borrowings obtained during the year	20,440	106,288
Interest during the year	205,060	174,999
Repaid during the year	(193,374)	(285,259)
Movement in unamortized finance costs	6,649	5,166
Balance at 31 December	4,406,830	4,368,055

Presented in the consolidated statement of financial position as follows:

	2023	2022
Non-current liabilities	4,138,728	2,633,625
Current liabilities	268,102	1,734,430
	4,406,830	4,368,055

(i) These borrowings are related to the Group's subsidiary, Gulf Drilling International (Qatari Private Shareholding Company) ("GDI"). GDI has entered into various borrowing arrangements with different banks. The facilities bear interest rate of 3.3% and QCB rate +0.6%. Most of these loans are to be repaid in quarterly instalments. The loans obtained by GDI are unsecured.

In March 2023, the Group renegotiated its existing loan facilities and obtained 2 new loan facilities of QR 4,132 million from local banks. The loans will be repaid in 18 unequal annual instalments commencing from 2026 and a balloon payment of 35% upon maturity in 2048.

The refinancing did not result in any extinguishment gain/loss. However, transaction cost of QR 21 million relating to the new facility was recognised in the statement of profit or loss and other comprehensive income during the year.

(ii) The borrowings are related to the Group's subsidiary, Gulf Helicopters Company (Qatari Private Shareholding Company) ("GHC"). GHC had entered into a borrowing facility to finance the purchase of helicopters. The facility had an interest rate of 6 months LIBOR plus 1.35% - 2.75% (2022: LIBOR plus 1.35% - 2.75%). Subsequent to 30 June 2023, the master agreement was amended to transition the reference rate from LIBOR to SOFR (Secured overnight financing rate) which is administered by the Federal Reserve Bank of New York. The loan is to be repaid in bi-annual instalments, it is unsecured and does not have any financial covenants with an interest rate of SOFR + 2.5% rate. The agreements have no covenants attached and also no change to the loan balance. The impact of change in benchmark to the interest expense is not material.

The Group's loans are denominated in US Dollars.

20. PROVISION FOR DECOMMISSIONING COSTS

	2023	2022
Provision for decommissioning costs	-	45,899

The movement of provision for decommissioning costs is as follows:

	2023	2022
Balance at 1 January	45,899	45,669
Provision made during the year	-	-
Unwinding of provision for decommissioning costs	180	230
Disposal of a subsidiary	(46,079)	-
Balance at 31 December	-	45,899

As per the contractual agreement with Qatar Energy (lessor), the Group has to return the leased facilities in their original condition at the end of the lease term. The Group has assessed its contracts and recognised provisions for the costs of dismantling, installations and restoring leased labour camps. The labour camps mainly consists of land, accommodation and common areas including offices, mess halls and other associated facilities. This provision relates to the Groups subsidiary Amwaj which was disposed of during the year.

21. PROVISION FOR EMPLOYEES' END OF SERVICE BENEFITS

	2023	2022
Balance at 1 January	112,028	101,259
Provision made during the year	16,236	24,625
Payments made during the year	(15,571)	(13,856)
Disposal of subsidiary	(32,025)	-
Balance at 31 December	80,668	112,028

The provision for employees' end of service benefits is included in salaries and other benefits in the consolidated statement of profit or loss and other comprehensive income.

22. TRADE AND OTHER PAYABLES

	2023	2022
Trade payables	387,865	290,773
Accrued expenses	240,901	374,784
Deposits	149	20,227
Accrued social fund contribution	9,790	7,251
	638,705	693,035

23. DIVIDENDS

The Board of Directors has proposed a final cash dividend of QR 0.15 per share amounting to QR 279 for the year ended 31 December 2023 (2022: QR 185.8 million). The proposed final cash dividend for the year ended 31 December 2023 will be submitted for formal approval at the Annual General Meeting.

During the period, the shareholders approved dividend amounting to QAR 0.10 per share. Below is the movement in dividends payable during the year:

	2023	2022
Balance at 1 January	48,619	50,429
Dividends declared during the year	185,841	-
Dividends paid during the year	(187,381)	(1,810)
Balance at 31 December	47,079	48,619

24. RELATED PARTIES DISCLOSURES

The Group, in the ordinary course of business, carries out transactions with other business enterprises that fall within the definition of related parties as per International Accounting Standard (IAS) 24 "Related Party Disclosures".

The balances with related parties as at the year-end and the transactions during the year, are disclosed as follows:

(a) Transactions with related parties

Transaction with related parties during the year are as follows:

Name of the entity	**Relationship**	2023 **Revenue**	2023 **Expenses**	2022 Revenue	2022 Expenses
QatarEnergy	Shareholder	1,070,393	30,659	1,161,408	46,409
QatarGas Operating Company Limited	Other related party	189,301	345	59,339	3,038
Qatar Fuel Company (WOQOD) Q.P.S.C.	Other related party	32,191	47,770	62,840	91,185
Qatar Petrochemical Company (QAPCO) Q.P.J.S.C.	Other related party	71,499	-	38,301	-
Qatar Fertiliser Company (QAFCO) Q.P.S.C.	Other related party	53,738	3,735	47,257	3,303
Oryx GTL Limited	Other related party	11,723	-	11,105	-
North Oil Company	Other related party	113,926	-	111,304	-
Gulfdrill L.L.C.	Joint venture	310,590	-	302,114	-
Others	Other related party	91,921	58,967	179,469	4,411
		1,945,282	141,476	1,973,137	148,346

(ALL AMOUNTS ARE EXPRESSED IN QATARI RIYALS '000 UNLESS OTHERWISE STATED)

(b) Due from related parties – Trade receivables

Name of the entity	Relationship	2023	2022
QatarEnergy	Shareholder	257,658	205,273
Oryx GTL Limited	Other related party	-	700
Qatargas Operating Company Limited	Other related party	128,410	126,226
Gulfdrill L.L.C.	Joint venture	227,263	240,605
Qatar Fuel Company (WOQOD) Q.P.S.C.	Other related party	-	16,881
North Oil Company	Other related party	17,672	22,706
Seef Limited	Other related party	-	-
Qatar Fertiliser Company (QAFCO) Q.P.S.C.	Other related party	-	24,801
Ras Laffan Olefins Limited	Other related party	-	-
Gasal Q.S.C.	Other related party	-	-
Others	Other related party	5,647	34,027
		636,650	671,219

The above balances are of trading nature, bear no interest or securities and are receivable on due date as per respective contracts, which is less than 12 months from the reporting date. These balances also include accrued revenues which are not yet billed to customers at year end.

(c) Due to related parties – Trade payables

Name of the entity	Relationship	2023	2022
QatarEnergy	Shareholder	8,590	9,636
Amwaj	Equity investee	19,691	-
Qatar Fuel Company (WOQOD) Q.P.S.C.	Other related party	5,215	7,354
Others (1)	Other related parties	3,490	3,905
		36,986	20,895

Other related parties represent entities controlled or jointly controlled by QatarEnergy (shareholder).

(1) This includes balance pertaining to accruals of Board of Directors' retainer and attendance allowance.

(2) Except (1), above balances are of trading nature, bear no interest or securities and are payable on demand.

(d) Remuneration of key management personnel

	2023	2022
Board of Directors allowances	3,800	2,660
Other key management personnel	20,850	27,757

25. REVENUE

25.1 REVENUE FROM CONTRACT WITH COSTUMERS

The Group mainly generates revenue from the aviation, drilling, rig management and insurance and reinsurance services.

(a) Revenues from contracts with customers

In the following table, revenue from contract with customers is disaggregated by primary major service lines and timing of revenue recognition.

	2023	2022
***Revenue from drilling and related services**		
Drilling services	1,018,754	927,514
Management services	310,590	302,822
	1,329,344	1,230,336
***Revenue from aviation services**		
Transportation services	909,685	790,962
Operation services	80,838	82,710
Supply of spare parts	42,133	39,401
Trainings services	2,591	2,379
	1,035,247	915,452
	2,364,591	2,145,788

	2023	2022
***Revenue by geographic locations**		
Qatar	1,926,140	1,806,830
Turkiye	301,547	231,467
Others	136,904	107,491
	2,364,591	2,145,788

*Management has further disaggregated revenue compared to the prior year to improve the presentation of the consolidated financial statements.

Unsatisfied long-term contracts

The following table shows unsatisfied performance obligations resulting from fixed-price long-term contracts:

	2023	2022
Aggregate amount of the transaction price allocated to long-term contracts that are partially or fully unsatisfied as at 31 December	2,070,710	3,103,183

Management expects that 50% of the transaction price allocated to unsatisfied performance obligations as of 31 December 2023 will be recognised as revenue during the next reporting period (QAR 1.03 billion). The 42% (QAR 0.87 billion) will be recognised in the 2025 financial year and remaining 14% (QR 0.15 billion) will be recognised in the following years.

All other contracts are for periods of one year or less or are billed based on time incurred. As permitted under IFRS 15, the transaction price allocated to these unsatisfied contracts is not disclosed.

25.2 INSURANCE AND REINSURANCE CONTRACTS

25.2.1 Analysis by remaining coverage and incurred claims for reinsurance contracts

Year ended 31 December 2023	Remaining coverage: Excluding loss component	Remaining coverage: Loss recovery component	Incurred claims: Excluding RA for non-financial risk	Incurred claims: RA for non-financial risk	Total
Reinsurance contracts held:					
Opening Reinsurance Contract Assets	(711,896)	2,964	1,322,580	54,798	668,446
Reinsurance Service expenses					
Reinsurance expense	(661,393)	-	-	-	(661,393)
Amounts recoverable for incurred claims and other expenses	-	-	196,879	12,957	209,836
Loss-recovery on onerous underlying contracts and adjustments	-	17,702	-	-	17,702
Changes to amounts recoverable for incurred claims	-	-	155,816	61,189	217,005
Amounts recoverable from reinsurers for incurred claims	-	17,702	352,695	74,146	444,543
Net income or expense from reinsurance contracts held	(661,393)	17,702	352,695	74,146	(216,850)
Finance income from reinsurers contracts held	-	-	50,949	2,857	53,806
Effect of changes in non-performance risk of reinsurers	-	-	990	-	990
Total changes in the statement of income	(661,393)	17,702	404,634	77,003	(162,054)
Cash flows					
Premiums paid net of ceding commissions and other directly attributable expenses paid	521,692	-	-	-	521,692
Recoveries from reinsurance	-	-	(252,418)	-	(252,418)
Total cash flows	521,692	-	(252,418)	-	269,274
Closing Reinsurance Contract Assets	(851,597)	20,666	1,474,796	131,801	775,666

Year ended 31 December 2022	Remaining coverage: Excluding loss component	Remaining coverage: Loss recovery component	Incurred claims: Excluding RA for non-financial risk	Incurred claims: RA for non-financial risk	Total
Reinsurance contracts held:					
Opening Reinsurance Contract Assets	(555,292)	-	1,190,648	42,545	677,901
Reinsurance Service expenses					
Reinsurance expense	(501,488)	-	-	-	(501,488)
Amounts recoverable for incurred claims and other expenses	-	-	334,600	25,646	360,246
Loss-recovery on onerous underlying contracts and adjustments	-	2,964	-	-	2,964
Changes to amounts recoverable for incurred claims	-	-	30,831	(13,837)	16,994
Amounts recoverable from reinsurers for incurred claims	-	2,964	365,431	11,809	380,204
Net income or expense from reinsurance contracts held	(501,488)	2,964	365,431	11,809	(121,284)
Finance (expense) income from reinsurers contracts held	-	-	(20,289)	444	(19,845)
Effect of changes in non-performance risk of reinsurers	-	-	1,345	-	1,345
Total changes in the statement of income	(501,488)	2,964	346,487	12,253	(139,784)
Cash flows					
Premiums paid net of ceding commissions and other directly attributable expenses paid	344,885	-	-	-	344,885
Recoveries from reinsurance	-	-	(214,556)	-	(214,556)
Total cash flows	344,885	-	(214,556)	-	130,329
Closing Reinsurance Contract Assets	(711,895)	2,964	1,322,579	54,798	668,446

25.2.2 Analysis by remaining coverage and incurred claims for insurance contracts

Year ended 31 December 2023	LRC: Excluding loss component	LRC: Loss component	LIC: Excluding RA for non-financial risk	LIC: RA for non-financial risk	Total
Insurance contracts issued:					
Opening Insurance Contract Liabilities	113,532	6,047	879,467	80,659	1,079,705
Insurance Revenue	(1,173,899)	-	-	-	(1,173,899)
Insurance Service expenses					
Incurred claims and other directly attributable expenses	-	-	393,095	21,324	414,419
Changes that relate to past service - adjustments to the LIC	-	-	288,808	76,119	364,927
Losses (Reversal) of onerous contract	-	46,884	-	-	46,884
Insurance acquisition cash flows amortization	60,661	-	-	-	60,661
Insurance Service expenses	60,661	46,884	681,903	97,443	886,891
Insurance Service result	(1,113,238)	46,884	681,903	97,443	(287,008)
Insurance finance expenses	-	-	40,857	4,057	44,914
Total changes in the statement of profit or loss and OCI	(1,113,238)	46,884	722,760	101,500	(242,094)
Cash flows					
Premiums received	1,237,595	-	-	-	1,237,595
Claims and other directly attributable Expenses paid	-	-	(774,957)	-	(774,957)
Insurance acquisition cash flows paid	(48,373)	-	-	-	(48,373)
Total cash flows	1,189,222	-	(774,957)	-	414,265
Closing Insurance Contract Liabilities	189,516	52,931	827,270	182,159	1,251,876

Year ended 31 December 2022	LRC: Excluding loss component	LRC: Loss component	LIC: Excluding RA for non-financial risk	LIC: RA for non-financial risk	Total
Insurance contracts issued:					
Opening Insurance Contract Liabilities	80,705	-	880,863	67,152	1,028,719
Insurance Revenue	(887,784)	-	-	-	(887,784)
Insurance Service expenses					
Incurred claims and other directly attributable expenses	-	-	689,910	53,323	743,232
Changes that relate to past service - adjustments to the LIC	-	-	(114,158)	(40,369)	(154,526)
Losses (Reversal) of onerous contract	-	6,047	-	-	6,047
Insurance acquisition cash flows amortization	65,935	-	-	-	65,935
Insurance Service expenses	65,935	6,047	575,752	12,954	660,689
Insurance Service result	(821,849)	6,047	575,752	12,954	(227,096)
Insurance finance expenses	-	-	(7,891)	553	(7,338)
Total changes in the statement of profit or loss and OCI	(821,849)	6,047	567,861	13,507	(234,434)
Cash flows					
Premiums received	922,002	-	-	-	922,002
Claims and other directly attributable Expenses paid	-	-	(569,256)	-	(569,256)
Insurance acquisition cash flows paid	(67,326)	-	-	-	(67,326)
Total cash flows	854,676	-	(569,256)	-	285,420
Closing Insurance Contract Liabilities	113,532	6,047	879,467	80,659	1,079,705

26. COST OF SALES

	2023	2022
Staff salaries and related costs	697,292	619,197
Depreciation of machinery and equipment	346,593	343,643
Depreciation of Right of Use assets	3,498	3,498
Other Direct costs	715,401	668,514
	1,762,784	1,634,852

The cost of sales note has been disaggregated compared to prior year to improve the presentation of the consolidated financial statements.

27. OTHER INCOME

	2023	2022
Rental income	15,494	11,994
Income tax benefit recognized pursuant to MOU	5,723	5,688
Profit distribution from managed investment funds	1,655	3,652
Dividend income	4,928	3,543
Miscellaneous income	19,463	2,526
	47,263	27,403

28. OTHER GAINS/(LOSSES) – NET

	2023	2022
Net foreign exchange gains/(losses)	17,896	23,949
Miscellaneous	1,367	2,303
	19,263	26,252

This majorly includes net foreign exchange loss.

29. GENERAL AND ADMINISTRATIVE EXPENSES

	2023	2022
Salaries and other benefits	97,307	89,045
Depreciation of property and equipment (Note 6.2)	4,645	3,830
Legal and professional expenses	42,350	23,380
Service fees	7,414	7,061
Public relations and advertisement expenses	3,454	3,065
Communication expenses	863	369
Board of Directors' allowances	3,800	4,925
Repairs and maintenance expenses	1,406	1,463
Travel expenses	1,859	1,413
Qatar Exchange and QCSD expense	1,024	1,008
Printing and stationery expenses	331	501
Miscellaneous expenses	28,095	30,054
	192,548	166,113

The Group incurred the below fees from the auditor of the Group (PricewaterhouseCoopers) for the year:

	2023
Audit fee	1,366
Other assurance services	400
Total recurring Group fees	1,766

30. INCOME TAX

In light of the provisions of the Qatar Income Tax Law No. 24 of 2018 and subsequent Executive Regulations, on 4 February 2020, Qatar Energy (Shareholder), Ministry of Finance and the General Tax Authority (GTA) reached an agreement through a Memorandum of Understanding ("the MOU") which provided a mechanism for the settlement of the income tax liability of subsidiaries and joint ventures (included in the said MOU) of certain companies listed on Qatar Exchange. All four of the Group's local subsidiaries (Note 1) were included in the said MOU, according to which the income tax liability of the subsidiaries would ultimately be borne by Ministry of Finance. However, as per the MOU, the Groups income tax from the local subsidiaries will be settled by the Ministry of Finance. Further, as per subsequent clarifications received from GTA, the subsidiaries assessed that they are taxable only on the profits attributable to the foreign shareholders of the Group.

31. EARNINGS PER SHARE

Basic earnings per share has been calculated by dividing the profit for the year attributable to ordinary shareholders by the adjusted weighted average number of equity shares outstanding at the end of the reporting period.

The basic and diluted earnings per share are the same as there were no dilutive effects on earnings.

	2023	2022
Profit attributable to owners of the Group	391,785	302,312
Weighted average number of ordinary shares outstanding at 31 December (in shares) (Note 16)	1,858,408,690	1,858,408,690
Basic and diluted earnings per share (expressed in QR per share)	0.211	0.163

32. COMMITMENTS

Commitments

	2023	2022
Capital commitments (i)	730,212	703,624

(i) These relates to the commitments for the acquisition of aircraft.

33. OPERATING SEGMENTS

The Group has three reportable segments, as described below. The segments offer different services and are managed separately because they require different technology and marketing strategies and also incorporated as separate legal entities. For each of the segments, the Board of Directors reviews internal management reports on at least a quarterly basis. The following summary describes the operations of each reportable segment:

Reportable segments	Operations
Insurance	Provides insurance and reinsurance services in Qatar
Aviation	Provides helicopter transportation services throughout the Gulf Region, Libya, Turkey, Morocco, and India. The aviation segment includes the information relating to Gulf Helicopters Company and its subsidiaries and joint ventures.
Drilling	Provides drilling and ancillary services in Qatar.

For the year ended and as at 31 December 2023	Insurance	Aviation	Drilling	Amwaj Equity Accounting - Catering	Discontinued operations	Head office and Intercompany elimination	Total
Timing of revenue recognition							
At a point in time	-	42,133	-	-	-	-	42,133
Over time	-	993,114	1,329,344	-	-	-	2,322,458
Insurance revenue	1,173,899	-	-	-	-	-	1,173,899
Segment revenue	1,173,899	1,035,247	1,329,344	-	-	-	3,538,490
Inter-segment revenue	-	-	-	-	-	-	-
External revenues	1,173,899	1,035,247	1,329,344	-	-	-	3,538,490
Segment profit before tax	102,657	343,461	(37,874)	4,896	(24,237)	11,793	400,696
Adjusted EBITDA	75,208	415,185	416,057	-	-	(349)	906,101
Finance income	31,794	11,810	189	-	-	26,643	70,436
Finance costs	-	(1,441)	(203,821)	-	-	-	(205,262)
Depreciation and amortization	(4,345)	(82,093)	(250,299)	-	-	(14,501)	(351,238)
Cost of sales	(1,103,743)	(627,952)	(1,126,104)	-	-	(5,469)	(2,863,268)
General and administrative expenses	(32,824)	(66,734)	(71,939)	-	-	(21,051)	(192,548)
Other Income	6,588	13,076	16,905	-	-	10,694	47,263
Other gains/(losses) – net	-	(17,142)	(1,369)	-	-	(752)	(19,263)
Income tax expense	(2,380)	(6,701)	-	-	-	-	(9,081)
Other material non-cash items:							
Provision of impairment losses on financial assets	119	(1,460)	-	-	-	-	(1,341)
Impairment loss on property and equipment	-	-	(2,202)	-	-	-	(2,202)
Other information							
Share of results and impairment losses from equity accounted investees	-	981	18,921	4,896	-	-	24,798
Investments in equity accounted investees	-	8,679	31,854			349,519	390,052
(b) Adjusted EBITDA				-			
Adjusted EBITDA reconciles to operating profit before income tax as follows:							
Total Adjusted EBITDA	75,208	415,185	416,057	-	-	(349)	906,101
Finance income	31,794	11,810	189	-	-	26,643	70,436
Finance costs	-	(1,441)	(203,821)	-	-	-	(205,262)
Depreciation and amortisation	(4,345)	(82,093)	(250,299)	-	-	(14,501)	(351,238)
Profit before income tax from continuing operations	102,657	343,461	(37,874)	-	-	11,793	420,037

For the year ended and as at 31 December 2022	Insurance	Aviation	Drilling	Amwaj Equity Accounting - Catering	Discontinued operations	Head office and Intercompany elimination	Total
Timing of revenue recognition							
At a point in time	-	39,401	-	-	-	-	39,401
Over time	-	876,051	1,284,935	-	-	-	2,160,986
Insurance revenue	887,784	-	-	-	-	-	887,784
Segment revenue	887,784	915,452	1,284,935	-	-	-	3,088,171
Inter-segment revenue	-	(1,610)	(52,989)	-	-	-	(54,599)
External revenues	887,784	913,822	1,231,946	-	-	-	3,033,552
Segment profit before tax	71,174	309,517	(89,996)	-	726	24,691	316,112
Adjusted EBITDA	56,966	386,184	369,056	-	-	26,377	838,583
Finance income	17,818	6,379	1,185	-	-	10,435	35,817
Finance costs	-	(833)	(179,445)	-	-	(97)	(180,376)
Depreciation and amortisation	(3,610)	(82,213)	(280,792)	-	-	(12,024)	(378,639)
Cost of sales	(781,973)	(540,944)	(1,137,597)	-	-	43,689	(2,416,825)
General and administrative expenses	(63,877)	(48,095)	(73,928)	-	-	19,787	(166,113)
Other Income	19,303	8,275	2,523	-	-	(2,697)	27,403
Other gains/(losses) – net	-	(23,948)	(602)			(1,702)	(26,252)
Income tax expense	(867)	(13,047)	-	-	-	-	(13,914)
Other material non-cash items:							
Provision of impairment losses on financial assets	3,353	-	-	-	-	-	3,353
Impairment loss on property and equipment	-	-	-	-	-	-	(2,202)
Other information							
Share of results and impairment losses from equity accounted investees	-	4,643	12,934		-	-	17,578
Investments in equity accounted investees	-	15,155	12,933		-	-	28,088
(b) Adjusted EBITDA							
Adjusted EBITDA reconciles to operating profit before income tax as follows:							
Total Adjusted EBITDA	56,966	386,184	369,056	-	-	26,377	838,583
Finance income	17,818	6,379	1,185	-	-	10,435	35,817
Finance costs	-	(833)	(179,445)	-	-	(97)	(180,376)
Depreciation and amortisation	(3,610)	(82,213)	(280,792)	-	-	(12,024)	(378,639)
Profit before income tax from continuing operations	71,174	309,517	(89,996)	-	-	24,691	315,386

(ALL AMOUNTS ARE EXPRESSED IN QATARI RIYALS '000 UNLESS OTHERWISE STATED)

Gulf International Services Q.P.S.C.

34. FINANCE COSTS

34.1 FINANCE INCOME

	2023	2022
Interest income	70,436	35,817
	70,436	35,817

34.2 FINANCE COSTS

	2023	2022
Finance charges paid for lease liabilities	202	535
Interest and finance charges paid/payable for financial liabilities not at fair value through profit or loss	205,060	179,841
	205,262	180,376

35. FINANCIAL INSTRUMENTS- FAIR VALUE

The fair value of financial investments that are actively traded in organized financial markets is determined by reference to quoted market bid prices for assets and offer prices for liabilities at the close of business at the end of the reporting period.

For financial instruments where there is no active market, the fair value is determined by using valuation techniques. Such techniques include using recent arm's length transactions, reference to the current market value of another instrument which is substantially the same and/or discounted cash flow analysis. For discounted cash flow techniques, estimated future cash flows are based on management's best estimates and the discount rate used is a market related rate for a similar instrument.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The carrying value of the financial assets and liabilities approximates their fair values. The estimated fair values of the Group's major financial instruments are provided in the tables below:

	FVTPL	FVOCI	Amortized cost	Total Carrying value	Fair value
31 December 2023					
Assets					
Cash and bank balances	-	-	577,186	577,186	577,186
Short-term investments	-	-	718,793	718,793	718,793
Trade and other receivables	-	-	870,544	870,544	870,544
Financial investments	469,343	367,949	-	837,292	837,292
	469,343	367,949	2,166,523	3,003,815	3,003,815
Liabilities					
Loans and borrowings	-	-	4,406,830	4,406,830	4,406,830
Trade and other payables	-	-	638,705	638,705	638,705
Dividends payable	-	-	47,079	47,079	47,079
	-	-	5,092,614	5,092,614	5,092,614

	FVTPL	FVOCI	Amortized cost	Total Carrying value	Fair value
31 December 2022					
Assets					
Cash and bank balances	-	-	396,447	396,447	396,447
Short-term investments	-	-	746,126	746,126	746,126
Trade and other receivables	-	-	1,029,173	1,029,173	1,029,173
Financial investments	438,185	306,592	-	744,777	744,777
	438,185	306,592	2,171,746	2,916,523	2,916,523
Liabilities					
Loans and borrowings	-	-	4,368,055	4,368,055	4,368,055
Trade and other payables	-	-	693,035	693,035	693,035
Dividends payable	-	-	48,619	48,619	48,619
	-	-	5,109,709	5,109,709	5,109,709

Fair value hierarchy

The fair value of financial instruments approximates their carrying values.

The Group 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.

Level 3: techniques which use inputs which have a significant effect on the recorded fair value that is not based on observable market data.

At the reporting date, the Group held the following financial investments measured at fair value.

	Level 1	Level 2	Level 3	Total
31 December 2023				
Assets measured at fair value				
Financial investments at FVTPL	469,343	-	-	469,343
Financial investments at FVOCI	367,949	-	-	367,949
	837,292	-	-	837,292
31 December 2022				
Assets measured at fair value				
Financial investments at FVTPL	438,185	-	-	438,185
Financial investments at FVOCI	306,589	-	3	306,592
	744,774	-	3	744,777

During the year ended 31 December 2023 and 31 December 2022, there were no transfers between Level 1 and Level 2 fair value measurements, and no transfers into and out of Level 3 fair value measurements.

36. SEPARATE FINANCIAL STATEMENTS

This note provides certain information related to the Group 's unconsolidated financial position, and profit or loss and other comprehensive income as at and for the year ended 31 December 2023 and its comparative year. The complete set of separate financial statements of the Group prepared in accordance with International Accounting Standard 27 'Separate Financial Statements' (IAS 27) are issued separately. This information is provided only to assist the Group in its reporting to the Qatar Financial Markets Authority (Internal Control Over Financial Reporting ("ICOFR")).

(a) *Separate statement of financial position*

	2023	2022
ASSETS		
Non-current assets		
Furniture and fittings	114	72
Investment property	225,300	227,092
Financial investments	31,787	26,798
Investment in associate	344,624	-
Investments in subsidiaries	2,077,215	2,574,398
Total non-current assets	2,679,040	2,828,360
Current assets		
Trade and other receivables	12,548	10,517
Other bank balances	47,079	48,619
Short-term investments*	484,736	
Cash and cash equivalents*	13,675	356,973
Total current assets	558,038	416,109
TOTAL ASSETS	3,237,078	3,244,469

	2023	2022
EQUITY AND LIABILITIES		
EQUITY		
Share capital	1,858,409	1,858,409
Legal reserve	23,928	23,928
Retained earnings	1,279,168	1,275,513
Total equity	3,161,505	3,157,850
LIABILITIES		
Current liabilities		
Dividends payable	47,079	48,619
Trade and other payables	28,494	38,000
Total current liabilities	75,573	86,619
TOTAL EQUITY AND LIABILITIES	3,237,078	3,244,469

(b) Separate statement of profit or loss and other comprehensive income

	2023	2022
Dividend income	263,115	188,890
General and administrative expenses	(25,361)	(16,792)
Other income	18,201	13,237
Other expenses	(752)	(39,339)
Loss on disposal of a subsidiary	(82,559)	-
Operating profit	172,644	145,996
Finance income	26,642	10,434
Finance costs	-	(97)
Profit for the year	199,286	156,333
Other comprehensive income	-	-
Total comprehensive income for the year	199,286	156,333
Earnings per share		
Basic and diluted unconsolidated earnings per share (Qatari Riyal)	0.108	0.084
Basic and diluted consolidated earnings per share (Qatari Riyal)	0.26	0.156

* In the prior year short term investment with a maturity more than 90 days have been reclassified in a separate line item Short Term Investment, as these do not meet the criteria of cash and cash equivalents.

37. RESTATEMENTS

Management has re-evaluated the accounting treatment of certain transactions and balances recorded in the consolidated financial statements in the prior years to determine if such transactions and balances have been accounted for appropriately under IFRS Accounting Standards ("IFRS").

Summary of the effect of these restatements on the previously reported figures is as follows:

1) *Accounting for decommissioning provision:*

The Group currently records a decommissioning provision in respect of various plots of land leased from a related party. However, historically, the Group has recognized the decommissioning cost as an expense in profit or loss and the corresponding decommissioning provisions on the face of the statement of financial position.

IFRS 16 - Leases ("IFRS 16") requires a lessee should include the amount of expected decommissioning as part of right of use assets.

During the year the Group has reassessed its accounting treatment and based on the requirements of IFRS 16 has recognized the decommissioning provision as part of right of use assets, the corresponding effect on the previous years has been adjusted in retained earnings. The right-of-use asset is depreciated in profit or loss over the term of the lease within cost of sales.

2) *Application of IAS 29:*

The Group has a subsidiary in Turkey and the functional currency of the subsidiary is Turkish Lira. As from 1 April 2022, the Turkish economy has been considered hyperinflationary based on the characteristics established by International Accounting Standard 29, 'Financial Reporting in Hyperinflationary Economies' ('IAS 29'). The Group applied IAS 29 for the first time in the interim period ended 30 June 2022.

During the year, management reassessed the application of IAS 29 and noted the following:

IAS 21- The Effect of Changes in Foreign Exchange Rates- states that when amounts are translated into the currency of a non-hyperinflationary economy, comparative amounts shall be those that were presented as current year amounts in the relevant prior year financial statements (i.e. not adjusted for subsequent changes in the price level or subsequent changes in exchange rates). Further, International Accounting Standard IAS 29- Financial Reporting in Hyperinflationary Economies requires that the gain or loss on the net monetary position should be included in profit or loss.

Consistent with the above requirements, management reassessed the application of IAS 29 during the year and restated prior period financial statements as follow:

- Management has revisited and consequently updated the calculation for initial application of IAS 29 between the closing equity of the previous year and the opening equity of the current year. The Group has presented the resultant combined effect of restating in accordance with IAS 29 and translation according to IAS 21 as a net change in other comprehensive income (OCI)
- The impact of the change in the consumer price index from the beginning of the first reporting period to the end of the reporting period for non-monetary assets and liabilities has been reflected as net monetary gain arising from hyperinflation in profit or loss instead of being recorded in retained earnings.
- Furthermore, as a result of these changes, the Group has reflected the "Net (loss)/gain arising from hyperinflation" in the Statement of Profit or loss and other comprehensive income as part of the "Operating profit".

3) *Reclassification of accrued interest to borrowings:*

In the prior years accrued interest was included within 'trade and other payables'. Management of the Group has reclassified these balances from 'trade and other payables' to 'loans and borrowings in order to reflect the nature of these balances and also to realign the accounting for loans and borrowings with amortised cost accounting. The comparatives of these balances have been reclassified accordingly.

4) *Other reclassifications*

During the period, the Group performed an exercise to determine if the presentation of the consolidated financial statements is in accordance with IAS 1 "Presentation of Financial Statements". This exercise resulted in reclassification of certain line items in the consolidated financial statements. The comparative figures have been reclassified in order to conform with the presentation for the current period. Such reclassifications did not have any impact on the previously reported equity and profits.

a) Related party, contract assets and trade receivable/payable
During the year, management has reclassified due from/due to related parties and contract assets (current) to be presented within trade and other receivables/payable in the consolidated statement of financial position as these were trading in nature. This change did not impact the comparative total assets, total liabilities, net assets or cash flows.

b) Other current assets
During the year, management has reclassified prepayments and advances to be presented separately from Trade and other receivables in the consolidated statement of financial position as the prepayments and advances are not financial assets. This change did not impact the comparative total assets, total liabilities, net assets or cash flows.

c) Other bank balances
During the year, management has reclassified restricted cash balances to be presented separately from Cash and cash equivalents balances in the consolidated statement of financial position as the amount represented restricted cash which does not meet the definition of cash and cash equivalents. This change did not impact the comparative total asset, total liabilities or net assets. Equally this did not affect the cash flow statement as the cash flow statement historically reconciled only cash and cash equivalents.

d) Financial instruments
During the year, management has restated the prior year fair value gains on investment securities at FVPL from "net gain on sale of financial investments" to the correct line item "Fair value gain on investment securities at fair value through profit or loss" shown separately. In addition, fair value gains on FVOCI debt investments recycled to profit or loss from other comprehensive income on disposal of the investments have been presented on a separate line in profit or loss.

5) *Recognition of deferred tax*

Management has recognised a previously omitted deferred tax liability during the year and restated the comparative figures in the consolidated statement of financial position and statement of profit or loss and other comprehensive income.

The effect of these restatements on the statement of financial position and the statement of profit or loss and other comprehensive income is summarised below:

Effect on the consolidated statement of financial position as at 31 December 2022:

	Previously reported	IFRS 17 (Note 3.2)	Restatement- 1	Restatement- 2	Restatement - 3	Restatement - 4a	Restatement - 4b	Restatement - 4c	Restatement - 5	Restated
Right-of-use assets	27,731	-	21,840	-	-	-	-	-	-	49,571
Due from related parties	759,940	(88,721)	-	-	-	(671,219)	-	-	-	-
Trade and other receivables	799,656	(320,869)	-	-	-	671,219	(120,833)	-	-	1,029,173
Other current assets	-	-	-	-	-	-	120,833	-	-	120,833
Reinsurance contract assets	1,091,277	(422,831)	-	-	-	-	-	-	-	668,446
Other bank balances	-	-	-	-	-	-	-	48,619	-	48,619
Cash and cash equivalents	396,447	-	-	-	-	-	-	(48,619)	-	347,828
Foreign currency translation reserve	(71,371)	-	-	44,293	-	-	-	-	1,117	(25,961)
Retained earnings	1,350,550	57,893	21,840	(44,293)	-	-	-	-	(20,746)	1,365,244
Deferred tax liabilities	-	-	-	-	-	-	-	-	19,629	19,629
Loans and borrowings	1,655,607	-	-	-	78,823	-	-	-	-	1,734,430
Trade and other payables	1,046,056	(297,271)	-	-	(78,823)	23,073	-	-	-	693,035
Due to related parties	27,812	(4,739)	-	-	-	(23,073)	-	-	-	-
Insurance contract liabilities	1,668,009	(588,304)	-	-	-	-	-	-	-	1,079,705

Effect on the consolidated statement of financial position as at 1 January 2022:

	Previously reported	IFRS 17 (Note 3.2)	Restatement- 1	Restatement - 3	Restatement - 4a	Restatement - 4b	Restatement - 4c	Restatement - 5	Restated
Right-of-use assets	36,292	-	29,372	-	-	-	-	-	65,664
Contract assets	6,514	-	-	-	(6,514)	-	-	-	-
Due from related parties	686,354	(8,839)	-	-	(677,515)	-	-	-	-
Trade and other receivables	694,994	(267,366)	-	-	684,029	(102,859)	-	-	1,008,798
Other current assets	-	-	-	-	-	102,859	-	-	102,859
Other bank balances	-	-	-	-	-	-	48,619	-	48,619
Reinsurance contract assets	757,382	(79,481)	-	-	-	-	-	-	677,901
Cash and cash equivalents	349,407	-	-	-	-	-	(48,619)	-	300,788
Foreign currency translation reserve	(55,836)	-	-	-	-	-	-	1,117	(54,719)
Retained earnings	998,204	61,551	29,372	-	-	-	-	(11,913)	1,077,214
Deferred tax liabilities	-	-	-	-	-	-	-	10,796	10,796
Loans and borrowings	632,704	-	-	41,452	-	-	-	-	674,156
Trade and other payables	831,273	(221,696)	-	(41,452)	34,823	-	-	-	602,948
Due to related parties	44,507	(9,684)	-	-	(34,823)	-	-	-	-
Insurance contract liabilities	1,214,575	(185,857)	-	-	-	-	-	-	1,028,718

Effect on the consolidated statement of profit or loss and other comprehensive income as at 31 December 2022:

	Previously reported	IFRS 17 (Note 3.2)	Balances relating to Discontinued operations	Restatement - 1	Restatement - 2	Restatement - 4(d)	Restatement -5	Restated
Revenue	3,065,539	(903,331)	(616,420)	-	-	-	-	2,145,788
Cost of sales	(2,992,875)	769,751	588,272	-	-	-	-	(1,634,852)
Gross profit from non- insurance operations	672,664	(133,580)	(28,148)	-	-	-	-	510,936
Insurance revenue	-	887,784	-	-	-	-	-	887,784
Insurance service expense	-	(660,689)	-	-	-	-	-	(660,689)
Net expense from reinsurance contracts held	-	(121,284)	-	-	-	-	-	(121,284)
Insurance service result	-	105,811	-	-	-	-	-	105,811
Gross profit and net insurance service results	672,664	(27,769)	(28,148)	-	-	-	-	616,747
Finance (expense)/income from insurance contracts issued	-	7,338	-	-	-	-	-	7,338
Finance income/(expense)from reinsurance contracts held	-	(18,500)	-	-	-	-	-	(18,500)
Net insurance finance income	-	(11,162)	-	-	-	-	-	(11,162)
Other income / (loss)	41,391	-	(866)	-	-	(13,122)	-	27,403
Other expenses	(61,647)	-	-	-	-	35,395	-	(26,252)
General and administrative expenses	(218,520)	31,759	20,648	-	-	-	-	(166,113)
Net gains on investments in debt securities measured at FVOCI reclassified to profit or loss on disposal	-	-	-	-	-	3,529	-	3,529
Fair value gain on investment securities at fair value through profit or loss	-	-	-	-	-	(25,897)	-	(25,897)
Effect of gain on net monetary position IAS 29	(11,411)	-	-	-	32,171	-	-	20,760
Net impairment (loss) / reversal on financial assets	(776)	3,513	521	-	-	95	-	3,353
Operating profit	421,701	(3,659)	(7,845)	-	32,171	-	-	442,368
Finance income	38,387	-	(2,570)	-	-	-	-	35,817
Finance costs	(181,926)	-	1,550	-	-	-	-	(180,376)
Finance costs – net	(143,539)	-	(1,020)	-	-	-	-	(144,559)
Share of net profits of equity accounted investees	17,577	-	-	-	-	-	-	17,577
Profit before income tax	295,739	(3,659)	(8,865)	-	32,171	-	-	315,386
Income tax expense	(5,688)	-	608	-	-	-	(8,833)	(13,914)
Profit for the year from continuing operation	290,050	(3,659)	(8,257)	-	32,171	-	(8,833)	301,472
(Loss) / Profit from discontinued operation (attributable to the shareholders of the Company)	-	-	8,257	(7,531)	-	-	-	726
Profit for the year	290,050	(3,659)	-	(7,531)	32,171	-	(8,833)	302,198
Profit for the year attributable to:								
Shareholders of the Company	290,165	(3,659)	-	(7,531)	32,171	-	(8,833)	302,312
Non-controlling interests	(114)	-	-	-	-	-	-	(114)
Net profit for the period	290,050	(3,659)	-	(7,531)	32,171	-	(8,833)	302,198

Effect on the consolidated statement of profit or loss and other comprehensive income as at 31 December 2022:

	Previously reported	IFRS 17 (Note 3.2)	Balances relating to Discontinued operations	Restatement - 1	Restatement - 2	Restatement - 4(d)	Restatement - 5	Restated
Earnings per share								
Basic and diluted earnings per share from continuing operations attributable to shareholders of the Company	0.156	(0.002)	-	(0.004)	0.013	-	-	0.163
Basic and diluted earnings per share from discontinued operations attributable to shareholders of the Company	(0.000)	-	-	-	-	-	-	(0.000)
Basic and diluted earnings per share from profit attributable to shareholders of the Company	**0.156**	**(0.002)**	-	**(0.004)**	**0.013**	-	-	**0.163**
Other comprehensive income								
Financial investments at FVOCI - Change in FV	(31,432)	-	-	-	-	3,529	-	(27,903)
Net foreign exchange difference on translation of foreign operations	(15,535)	-	-	-	44,294	-	-	28,759
Net instruments at FVOCI reclasified to profit or loss	-	-	-	-	-	(3,529)	-	(3,529)
Other comprehensive income for the year, net of tax	(46,967)	-	-	-	44,294	-	-	(2,673)
Total comprehensive income for the year	243,083	(3,659)	-	(7,531)	76,465	-	(8,833)	299,525
Total comprehensive income / (loss) attributable to:						-		
Owners of the Company	243,197	(3,659)	-	(7,531)	76,465	-	(8,833)	299,639
Non-controlling interests	(114)	-	-	-	-	-	-	(114)
Total	243,083	(3,659)	-	(7,531)	76,465	-	(8,833)	299,525
Total comprehensive income / (loss) for the period attributable to shareholders of the Company arises from:								
Continuing operations	242,358	-	-	-	76,465	-	(8,833)	298,799
Discontinued operations	725	-	-	(7,531)	-	-	-	726
	243,083	-	-	-	76,465	-	(8,833)	299,525

The above restatements had no impact on operating, investing, or financing cash flows in aggregate.

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