DLALA BROKERAGE AND INVESTMENT HOLDING COMPANY Q.P.S.C.

CONSOLIDATED FINANCIAL STATEMENTS

31 DECEMBER 2022

DLALA BROKERAGE AND INVESTMENT HOLDING COMPANY Q.P.S.C.
CONSOLIDATED FINANCIAL STATEMENTS
AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2022

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INDEPENDENT AUDITOR’S REPORT

TO THE SHAREHOLDERS OF DLALA BROKERAGE AND INVESTMENT HOLDING COMPANY Q.P.S.C.

Report on the audit of the consolidated financial statements

Opinion

We have audited the consolidated financial statements of Dlala Brokerage and Investment Holding Company Q.P.S.C. (the “Company”) and its subsidiaries (together referred to as “Group”) which comprise the consolidated statement of financial position as at 31 December 2022 and the consolidated statements of profit or loss, other comprehensive income, changes in equity and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at 31 December 2022, and its financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

Basis for opinion

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

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

Emphasis of Matter

We draw attention to Note 15 which states that on 27 April 2022, an extraordinary general assembly meeting was held and approved the proposal to reduce the Company’s share capital by 33%. This reduction amounted to 93,772,800 Qatari riyals, to amortize the accumulated losses. Consequently, the Company's share capital decreased to 190,387,200 Qatari riyals. Our opinion is not modified in respect of this matter.

Other matter

The consolidated financial statements of the Group as at and for the year ended 31 December 2021 were audited by another auditor, whose audit reports dated was 2 March 2022, expressed an unmodified opinion on those consolidated financial statements.

Key audit matter

Key audit matters are matters those, in our professional judgement, were of most significance in our audit of the consolidated financial statements for the current year. We identified the following key audit matters which were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matters is provided in that context. We have fulfilled the responsibility described in the "Auditor's responsibilities for the audit of the consolidated financial statements" section of our report, including in relation to other matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated financial statements.

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A General Partnership Company under MOCI with CR No. 45715

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

Key audit matter (continued)

The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for audit opinion on the accompanying consolidated financial statements.

<table>
<tr><th>Key audit matters</th><th>How our audit addressed our key audit matters</th></tr>
<tr><td>
Bank balances - customers' funds and due to customers

Refer to note no. (5) to the consolidated financial statements:

- Bank balances - customers' funds represents 61% of the consolidated total assets amounting to QR 352.12 million.

- Amounts due to customers represents 82% of the consolidated total liabilities amounting to QR 319.75 million.

Bank balances - customers' funds relates to the deposits made by the customers and the collections made on behalf of the customers on trade in securities. All such balances are recorded as due to customers. These balances are to be settled or withdrawn by the customers and hence it's recorded as current liabilities.

Due to the magnitude of the account balances, nature, and high volume of transactions, we determined the completeness of bank balances - customers funds and amounts due to customers as key audit matters.
</td><td>
Our audit procedures included:

• We evaluated the relevant internal controls to assess their adequacy and effectiveness and tested them accordingly.
• We performed analytical procedures on the balances related to amounts due to customers and bank balances - customers' funds as at 31 December 2022 to gain further insight into the financial data and identify any unusual transactions or trends.
• We selected a sample of customers and vouched their balances for accuracy, comparing them to the corresponding balances as per the books.
• We obtained direct confirmation letters for all bank accounts as at 31 December 2022 and verified them against the balances as per the books.
• We examined the bank account reconciliation statements prepared by the management of the Group and ensured the accuracy of the reconciliations between the balances as per bank statements and as per the books of account.
• We examined a selected sample of subsequently settled accounts and share transactions related to amounts due to customers to assess the accuracy and completeness of the settlements.
• We examined the reconciliation between the amounts due to customers and the corresponding bank balances - customers' funds as at 31 December 2022 to verify the accuracy and completeness of the reconciliation
</td></tr>
</table>

Other information

The Board of Directors are responsible for the other information. The other information comprises the information included in the annual report for 2022 but does not include in the consolidated financial statements and our auditor's report.

The Group's 2022 annual report is expected to be made available to us after the date of this auditor's report, thereon. Our opinion on these consolidated financial statements does not cover the other information and we do not express any form of assurance or conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information 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, 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 respect of the report on the other information.

INDEPENDENT AUDITOR’S REPORT (CONTINUED)

Responsibilities of board of directors for the consolidated financial statements

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

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

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

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

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

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control.
- 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.
- Conclude on the appropriateness of management’s use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group’s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor’s report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor’s report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure, and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities of business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the decision, supervision, and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the board of directors regarding 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.

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

Auditor's responsibilities for the audit of the consolidated financial statements (continued)

We also provide the board of directors with a statement that we have complied with relevant ethical requirements regarding independence and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the Board of Directors, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and is therefore the key audit matter. We describe this matter 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 legal and other regulatory requirements

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

- We have obtained all the information and explanations we considered necessary for the purpose of our audit; and
- The Company has maintained proper books of account and the consolidated financial statements are in agreement therewith.
- We are not aware of any violations of the Qatar Commercial Companies' Law (QCCL) No. 11 of 2015 or the Articles of Association having occurred during the year which might have had a material effect on the consolidated financial position of the Company or on its financial performance. Further, as disclosed in Note 2 to the consolidated financial statements, the Company is in the process of assessing the impact of the amendments to QCCL, as per Law No. 8 of 2021. The Company's management believes that such amendments will not have a material impact on the consolidated financial statements.

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Ahmed Tawfik Nassim
Mazars Consultants Auditors and Partners
Auditor's Registration No. 66
QFMA Registration No. 1201911

Doha - State of Qatar
09 March 2023

DLALA BROKERAGE AND INVESTMENT HOLDING COMPANY Q.P.S.C.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

FOR THE YEAR ENDED 31 DECEMBER 2022

(All amounts expressed in thousands of Qatari Riyal unless otherwise stated)

	Note	2022	2021
ASSETS			
Current assets			
Cash and cash equivalents	4	69,625	73,528
Bank balances – customers' funds	5	352,118	351,648
Due from customers	6	342	105
Due from Qatar Central Securities Depository (QCSD)	5	-	20,357
Investment securities at fair value through profit or loss (FVTPL)	7	65,291	97,323
Other assets	8	31,569	12,192
Trading properties	9	9,030	16,253
Total current assets		**527,975**	**571,406**
Non - current assets			
Investment securities at fair value through other comprehensive income (FVOCI)	7	7,423	8,581
Intangible assets	10	1,106	1,545
Property and equipment	11	36,341	37,608
Total non-current assets		**44,870**	**47,734**
TOTAL ASSETS		**572,845**	**619,140**
LIABILITIES AND EQUITY			
LIABILITIES			
Current liabilities			
Due to customers	5	319,750	363,469
Due to Qatar Central Securities Depository (QCSD)	5	16,283	-
Provision for legal cases	12	26,402	9,850
Other liabilities	13	20,448	20,293
Total current liabilities		**382,883**	**393,612**
Non - current liability			
Employees' end-of-service benefits	14	5,086	4,971
Total non-current liability		**5,086**	**4,971**
TOTAL LIABILITIES		**387,969**	**398,583**
EQUITY			
Share capital	15	190,387	284,160
Legal reserve	16	29,364	29,364
Fair value reserve	7	789	317
Accumulated losses		(35,664)	(92,301)
Equity attributable to shareholders of parent		**184,876**	**221,540**
Non - controlling interests		-	(983)
TOTAL EQUITY		**184,876**	**220,557**
TOTAL LIABILITIES AND EQUITY		**572,845**	**619,140**

دلالة للوساطة والاستثمار القابضة
DLALA BROKERAGE INVESTMENT HOLDING

These consolidated financial statements were approved by board of directors and authorised for issue on 09 March 2023.

Yousef Abdulrahman Al-Khailifi
Chairman of the Group

Moza Mohamed Al Sulaiti
CEO of the Group

The accompanying notes are an integral part of these consolidated financial statements.

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DLALA BROKERAGE AND INVESTMENT HOLDING COMPANY Q.P.S.C.
CONSOLIDATED STATEMENT OF PRFOIT OR LOSS
FOR THE YEAR ENDED 31 DECEMBER 2022
(All amounts expressed in thousands of Qatari Riyal unless otherwise stated)

	Note	2022	2021
Brokerage commission income		26,073	25,314
Brokerage commission expense	17	(9,701)	(9,441)
Net brokerage commission income		**16,372**	**15,873**
Dividend income from investment securities	7	4,872	2,214
Net fair value gain on investment securities at FVTPL	7	(11,473)	6,041
Gain on sale of investment securities at FVTPL	7	9,850	4,345
Real estate income	18	2,951	3,738
Interest income from short - term deposits	4	1,288	739
Income from information technology services		-	22
Net operating income		**23,860**	**32,972**
Other income	19	330	9,342
General and administrative expenses	20	(31,921)	(28,980)
Provision for legal cases	12	(20,902)	(5,200)
Provision for impairment of advance to supplier	8	(7,750)	-
(LOSS) / PROFIT FOR THE YEAR		**(36,383)**	**8,134**
(Loss) / profit attributable to:			
Equity holders of the Parent Company		(36,383)	8,493
Non-controlling interests		-	(359)
		(36,383)	**8,134**
BASIC AND DILUTED (LOSS)/EARNINGS PER SHARE	22	**(0.14)**	**0.03**

The accompanying notes are an integral part of these consolidated financial statements.

DLALA BROKERAGE AND INVESTMENT HOLDING COMPANY Q.P.S.C.
CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2022
(All amounts expressed in thousands of Qatari Riyal unless otherwise stated)

	Note	2022	2021
(Loss) / profit for the year		(36,383)	8,134
Other comprehensive income:			
Item not to be reclassified to profit or loss:			
Fair value movement on investment securities at FVOCI	7	702	2,317
Total other comprehensive income for the year		**702**	**2,317**
Attributable to:			
Equity holders of the parent Company		(35,681)	10,810
Non – controlling interests		-	(359)
TOTAL COMPREHENSIVE (LOSS) / INCOME FOR THE YEAR		**(35,681)**	**10,451**

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DLALA BROKERAGE AND INVESTMENT HOLDING COMPANY Q.P.S.C.
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2022
(All amounts expressed in thousands Qatari Riyal unless otherwise stated)

	Share capital	Legal reserve	Fair value reserve	Accumulated losses	Total	Non – controlling Interests	Total Equity
At 1 January 2021	284,160	28,514	(1,460)	(100,281)	210,933	(624)	210,309
Profit for the year	-	-	-	8,493	8,493	(359)	8,134
Other comprehensive income for the year	-	-	2,317	-	2,317		2,317
Total comprehensive income for the year	-	-	2,317	8,493	10,810	(359)	10,451
Provision for sports and social activities support fund (Note 13)	-	-	-	(203)	(203)	-	(203)
Transfer to legal reserve	-	850	-	(850)	-	-	-
Reclassification of net change in fair value of investment securities (FVOCI) upon derecognition (Note 7)	-	-	(540)	540	-	-	-
Balance at 31 December 2021	**284,160**	**29,364**	**317**	**(92,301)**	**221,540**	**(983)**	**220,557**
Loss for the year	-	-	-	(36,383)	(36,383)	-	(36,383)
Other comprehensive income for the year	-	-	702	-	702	-	702
Total comprehensive income for the year	**-**	**-**	**702**	**(36,383)**	**(35,681)**	**-**	**(35,681)**
Capital reduction during the year (Note 15)	(93,773)			93,773	-	-	-
Minority interest written off (Note 1)	-	-	-	(983)	(983)	983	-
Reclassification of net change in fair value of investment securities (FVOCI) upon derecognition (Note 7)	-	-	(230)	230	-	-	-
Balance at 31 December 2022	**190,387**	**29,364**	**789**	**(35,664)**	**184,876**	**-**	**184,876**

The accompanying notes are an integral part of these consolidated financial statements.

DLALA BROKERAGE AND INVESTMENT HOLDING COMPANY Q.P.S.C.
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2022
(All amounts expressed in thousands of Qatari Riyal unless otherwise stated)

	Note	2022	2021
OPERATING ACTIVITIES			
(Loss) / profit for the year		(36,383)	8,134
Adjustments for:			
Dividend income from investment securities	7	(4,872)	(2,214)
Net fair value loss on investment securities at FVTPL	7	11,473	(6,041)
Gain on sale of investments securities at FVTPL	7	(9,850)	(4,345)
Provision for employees' end-of-service benefits	14	1,254	640
Depreciation of property and equipment	11	2,034	2,132
Amortization of intangible asset	10	588	705
Interest income from short term deposits	4	(1,288)	(739)
Profit from sale of trading properties		(1,426)	(252)
Provision for legal cases	12	20,902	5,200
Provision for impairment of advance to supplier	8	7,750	-
Provision for an onerous contract	20	500	-
CWIP Write off	11	423	-
Operating (loss) / profit before changes in working capital		**(8,895)**	**3,220**
Working capital changes:			
Bank balances - customer funds		(470)	195,200
Due from customers		(237)	108
Due from / to QCSD		36,869	(63,238)
Other assets		(27,127)	(5,903)
Due to customers		(43,719)	(140,478)
Provision for legal cases		(4,350)	(200)
Other liabilities		(345)	454
Cash used in operating activities		**(48,274)**	**(10,837)**
Employees' end-of-service benefits paid	14	(1,139)	(196)
Net cash used in operating activities		**(49,413)**	**(11,033)**
INVESTING ACTIVITIES			
Purchase of investments securities	7	(92,942)	(90,586)
Purchase of property and equipment	11	(1,190)	(1,362)
Purchase of intangible asset	10	(149)	-
Proceeds from disposal of trading properties		8,650	12,800
Proceeds from disposal of investment securities		124,981	70,651
Interest received		1,288	739
Dividends received		4,872	2,214
Net cash generated from / (used in) investing activities		**45,510**	**(5,544)**
Net decrease in cash and cash equivalents		(3,903)	(16,577)
Cash and cash equivalents at 1 January		73,528	90,105
CASH AND CASH EQUIVALENTS AT 31 DECEMBER	4	**69,625**	**73,528**

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The accompanying notes are an integral part of these consolidated financial statements.

(All amounts expressed in thousands of Qatari Riyal unless otherwise stated)

1. CORPORATE INFORMATION AND PRINCIPAL ACTIVITIES

Dlala Brokerage and Investment Holding Company Q.P.S.C. (the "Company") is a Qatari Public Shareholding Company registered in the State of Qatar under the Commercial Registration Number 30670. The Company was established on 24 May 2005 as a limited liability Group and was publicly listed at Qatar Stock Exchange (the "QSE") on 4 September 2005. The Company is domiciled in the State of Qatar and its registered office is at P.O. Box 24571, Doha, State of Qatar.

These consolidated financial statements comprise the Company and its subsidiaries (collectively referred as the "Group" and individually as the "Group entities").

The Group is engaged in brokerage activities at QSE, design and programming special programs, information technology (IT) consultation services, real estate, and other investment activities.

The principal subsidiaries of the Group are as follows:

Name of the subsidiary	Principal activity	Percentage of ownership	
		31 December 2022	31 December 2021
Dlala Brokerage Company W.L.L. (i)	Stock brokerage	100%	99.98%
Dlala Real Estate W.L.L.	Real estate	100%	100%
Dlala Smart Information Technology W.L.L. (ii)	IT consultation services	-	60%
Dlala Information Technology W.L.L. (iii)	IT consultation services	100%	100%

All of the subsidiaries enumerated above are incorporated in State of Qatar.

i) During the year 2022, the Company decided to acquire the remaining 0.02% interest in voting shares, increasing its ownership interest to 100% of its share capital, total cash consideration was amounting to QR 38,119 thousand based on agreement dated on 11 January 2022.

ii) On 22 September 2022, the Board of Directors of the Company decided to liquidate Dlala Smart Information Technology W.L.L. a Subsidiary Company and discontinue its activities and liquidate the business. The Company is liquidated in 2022.

iii) On 18 January 2023, the Board of Directors of the Company decided to liquidate the Dlala Information Technology Company W.L.L., a Subsidiary Company and discontinue its activities and plan for an orderly discontinuance, surrender of license and solvent liquidation of the Company's business.

2. BASIS OF PREPARATION

a) Statement of compliance

The consolidated financial statements for the year ended 31 December 2022 of the Group have been prepared in accordance with International Financial Reporting Standards (IFRSs) as issued by the International Accounting Standards Board (IASB) and applicable requirements of Qatar Commercial Company Law No. 11 of 2015, as amended by Law No. 8 of 2021. The management is in the process of taking necessary actions needed to ensure full compliance with the amended law, including amending the Articles of Association of the Group where necessary and has concluded that the non-compliance at reporting date does not have material impact on the consolidated financial statements of the Group.

2. BASIS OF PREPARATION (CONTINUED)

b) Basis of measurement

These consolidated financial statements are prepared under the historical cost basis, except for investments in securities at FVTPL and FVOCI that have been measured at fair values.

c) Functional and presentation currency

These consolidated financial statements have been presented in Qatar Riyals (QR), which is the Group's functional and presentation currency, and all values are rounded to the nearest thousand (QR'000) except when otherwise indicated.

d) Basis of consolidation

The consolidated financial statements of the Group comprise the financial statements of the Parent Company and its subsidiaries. An entity, including a structured entity, is considered a subsidiary of the Group when we determine that the Parent Company has control over the Group. Control exists when the Group is exposed to, or has rights to, variable returns from its involvement with the Group entities and has the ability to affect those returns through its power over the Group. Power is being assessed by examining existing rights that give the Group the current ability to direct the relevant activities of the Group entities. For consolidation purposes, the effect of all transactions between entities in the Group have been eliminated.

e) Use of estimates and judgments

The information about significant areas of estimation uncertainty and critical judgments applied in the preparation of the consolidated financial statements are disclosed in Note 28.

f) Newly effective amendments to standards

During the current year, the below amended International Financial Reporting Standards ("IFRSs" or "standards") became effective for the first time for financial years beginning on 1 January 2022:

• *Onerous Contracts – Cost of Fulfilling a Contract (Amendments to IAS 37)*
• *Annual Improvements to IFRS Standards 2018 – 2021*
• *COVID – 19 - Related Rent Concessions beyond 30 June 2021 (Amendment to IFRS 16)*
• *Property, Plant and Equipment: Proceeds before Intended Use (Amendments to IAS 16)*
• *Reference to the Conceptual Framework (Amendments to IFRS 3)*

The adoption of the above amended standards had no significant impact on the Group's consolidated financial statements.

f) New, amended and improvements to standards not yet effective, but available for early adoption

The below new and amended International Financial Reporting Standards ("IFRSs" or "standards") that are available for early adoption for financial years beginning after 1 January 2022 are not effective until a later period, and they have not been applied in preparing these consolidated financial statements.

2. BASIS OF PREPARATION (CONTINUED)

f) New, amended and improvements to standards not yet effective, but available for early adoption (Continued)

Effective for year beginning 1 January 2023	• *Classification of Liabilities as Current or Non-current (Amendments to IAS 1)* • *IFRS 17 Insurance Contracts and amendments to IFRS 17 Insurance Contracts* • *Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2)* • *Definition of Accounting Estimates (Amendments to IAS 8)* • *Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12)*
Effective date deferred indefinitely / available for optional adoption	• *Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to IFRS 10 and IAS 28)*

Management does not expect that the adoption in future years of the above new and amended standards will have a significant impact on the Group's consolidated financial statements.

3. SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies of the Group applied in the preparation of the consolidated financial statements are set out below. These policies have been applied consistently to both years presented in these consolidated financial statements.

Financial instruments

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

A financial asset or financial liability is initially measured at fair value plus, for an item not at Fair Value Through Profit or Loss (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.

Financial assets: Classification and subsequent measurement

On initial recognition, a financial asset is classified at:

a) Amortised cost - if it meets both of the following conditions and is not designated as at FVTPL:

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

b) Fair Value Through Other Comprehensive Income (FVOCI) - if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective achieved by both collecting contractual cash flows and selling financial assets; and

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial instruments (continued)

Financial assets: Classification and subsequent measurement (continued)

- its contractual terms give rise on specified dates to cash flows that are SPPI on the principal amount outstanding

c) Fair Value Through Profit or Loss (FVTPL) - All financial assets not classified as measured at amortised cost or FVOCI as described above.

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

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

The Group has classified on initial recognition its due from customers, due from QCSD, other assets (advances to portfolio manager and other receivables), cash and cash equivalents and bank balances – customer funds at amortised cost.

Financial assets: Business model assessment

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

The information considered includes:

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

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

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial instruments (continued)

Financial assets: Business model assessment (continued)

Financial assets: Assessment whether contractual cash flows are Solely Payments of Principal and Interest (SPPI)

For the purposes of this assessment, ‘principal’ is defined as the fair value of the financial asset on initial recognition. ‘Interest’ is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g., liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are SPPI, the Group considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Group considers: contingent events that would change the amount or timing of cash flows; terms that may adjust the contractual coupon rate, including variable-rate features; prepayment and extension features; and terms that limit the Group’s claim to cash flows from specified assets (e.g., non-recourse features).

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

Financial assets: Subsequent measurement and gains and losses

- Financial assets at amortised cost - These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

- Financial assets FVTPL -These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss. The Group does hold such assets.

- Debt instruments at FVOCI - These assets are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognised in profit or loss. Other net gains and losses are recognised in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss. The Group does not hold such assets.

- Equity investments at FVOCI - These assets are subsequently measured at fair value. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are never derecognised to profit or loss. The Group does hold such assets.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial instruments (continued)

Financial liabilities: Classification and subsequent measurement

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

Financial assets: Derecognition

A financial asset (or, where applicable a part of a financial asset or part of a group of similar financial assets) is derecognised where:

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

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

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in the statement of comprehensive income.

Offsetting

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

The Group recognises loss allowances for Expected Credit Losses (ECLs) on financial assets measured at amortised cost. The Group does not hold debt investments measured at amortised cost.

The Group measures loss allowance either at an amount equal to:

- lifetime ECLs, which are those ECLs that result from all possible default events over the expected life of a financial instruments; or
- 12-month ECLs, which includes the portion of ECLs that results from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Impairment

Non-derivative financial assets

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

Loss allowances for due from customers, due from QCSD and other assets (advances to portfolio manager and other receivables) are measured either at an amount equal to 12-month or lifetime ECLs depending on the magnitude of increases in credit risk since the initial recognition of the assets.

Loss allowances on cash and cash equivalents and bank balances – customer funds are always measured at an amount equal to 12-month ECLs.

The Group considers a financial asset to be in default when customer is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realising security (if any is held).

The Group considers cash and cash equivalents and bank balances – customer funds to have low credit risk when its credit risk rating is equivalent to the globally understood definition of 'investment grade'.

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

Measurement of ECLs

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

Credit-impaired financial assets

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

Evidence that a financial asset is credit-impaired includes a breach of contract such as a default.

Presentation of allowance for ECL in the statement of financial position

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

Write-off

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

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Impairment (continued)

Non-derivative financial assets (continued)

Financial assets were assessed at each reporting date to determine whether there was objective evidence of impairment.

Objective evidence that financial assets were impaired includes:

- default or delinquency by a debtor;
- restructuring of an amount due to the Group on terms that the Group would not consider otherwise;
- indications that a debtor will enter bankruptcy; or
- observable data indicating that there is measurable decrease in expected cash flows from a group of financial assets.

Financial assets measured at amortized cost

The Group considered evidence of impairment for these assets (cash and cash equivalents, bank balances – customer funds, due from customers, due from QCSD and other assets (advances to portfolio manager and other receivables) at both an individual asset and a collective level. All individually significant assets were individually assessed for impairment. Those found not to be impaired were then collectively assessed for any impairment that had been incurred but not yet individually identified. Assets that were not individually significant were collectively assessed for impairment. Collective assessment was carried out by grouping together assets with similar risk characteristics.

In assessing collective impairment, the Group used historical information on the timing of recoveries and the amount of loss incurred and made an adjustment if current economic and credit conditions were such that the actual losses were likely to be greater or lesser than suggested by historical trends.

An impairment loss was calculated as the difference between an asset's carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. Losses were recognised in profit or loss and reflected in an allowance account. When the Group considered that there were no realistic prospects of recovery of the asset, the relevant amounts were written off.

If the amount of impairment loss subsequently decreased and the decrease was related objectively to an event occurring after the impairment was recognised, then the previously recognised impairment loss was reversed through profit or loss.

Non-financial assets

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

For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or Cash Generating Units (CGUs).

The recoverable amount of an asset or a CGU is the greater of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or a CGU.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents include bank balances and short - term deposits.

Bank balances - customers funds

This represents the cash advances received from the Group's trading customers or the collections received from Qatar Central Securities Depository (the "QCSD") in trading customers' securities.

Fair value measurement

The Group measures investment securities at fair value at each reporting date.

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

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible to by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

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

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

For assets that are recognized in the consolidated financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

Intangible asset

Cost associated with maintaining software programmes are recognised as an expense as incurred. Development costs that are directly attributable to the design and testing of identifiable and unique software products controlled by the Group are recognised as intangible assets when the following criteria are met:

- It is technically feasible to complete the software so that it will be available for use;
- Management intends to complete the software and use or sell it;
- There is an ability to use or sell the software;

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Intangible asset (continued)

- It can be demonstrated how the software will generate probable future economic benefits;
- Adequate technical, financial, and other resources to complete the development and to use or sell the software are available; and
- The expenditure attributable to the software during its development can be reliably measured.

Directly attributable costs that are capitalised as part of the software include employee costs and an appropriate portion of relevant overheads.

Capitalised development costs are recorded as intangible assets and amortised from the point at which the asset is ready for use.

The Group amortizes intangible asset (brokerage trading platform software) with useful life from 3 to 5 years using the straight-line method.

Property and equipment

Property and equipment are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognized when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

Depreciation is calculated using the straight-line method to allocate its cost net of its residual values, over their estimated useful lives.

	Years
Buildings	20
Leasehold improvements	5
Furniture and fixtures	10
Computer system and software	3 - 5
Office equipment	5
Motor vehicles	5

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in profit or loss.

Capital- work- in progress comprises costs incurred towards an infrastructure security system upgrade. These costs are transferred to computers and equipment upon commencement of operational activities of the relevant asset. Capital - work - in progress is not depreciate

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Employees' end of service benefits

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

The Group also provides for its contribution to the State administered retirement fund for Qatari employees in accordance with the retirement law, and the resulting charge is included within the staff cost in the consolidated statement of income. The Group has no further payment obligations once the contributions have been paid. The contributions are recognised when they are due.

Trading properties

Property acquired for sale in the ordinary course of business, is held as trading properties and is measured the lower of cost and net realisable value (NRV). Principally, this includes residential properties and a land that the Group intends to sell. The Group may decide to lease out on a temporary basis to increase the possibility of selling the properties rather than to earn rental income on a continuing basis and the property is not held for capital appreciation. The Group accounts for these properties as trading properties and not investment properties as the properties continue to be held exclusively with the view to subsequent disposal in the ordinary course of business. Cost incurred in bringing each property to its present location and condition includes:

- Freehold and leasehold rights for land
- Amounts paid to contractors for development
- Planning and design costs, costs of site preparation, professional fees for legal services, property transfer taxes, development overheads and other related costs

NRV is the estimated selling price in the ordinary course of the business, based on market prices at the reporting date, less estimated costs of completion and the estimated costs necessary to make the sale. Provision is made if net realizable value is lower than the carrying value.

When a trading property is sold, the carrying amount of the property is recognised as an expense in the period in which
the related revenue is recognized.

Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole.

A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small. Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The increase in the provision due to the passage of time is recognised as interest expense. Provisions are reviewed annually to reflect current best estimates of the expenditure required to settle the obligations.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Foreign currency transactions and balances

Transactions in foreign currencies during the year are translated into the functional currency of the Company at the exchange rates prevailing at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the end of the year are translated into the functional currency at the exchange rate at the reporting date. Realized and unrealized foreign currency differences are recognized in profit or loss. The Company does not have non-monetary assets and liabilities denominated in foreign currencies at the end of the reporting period.

Leases

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

- the contract involves the use of an identified asset – this may be specified explicitly or implicitly and should be physically distinct or represent substantially all of the capacity of a physically distinct asset. If the supplier has a substantive substitution right, then the asset is not identified;
- the Group has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use; and
- the Group has the right to direct the use of the asset. The Group has this right when it has the decision-making rights that are most relevant to changing how and for what purpose the asset is used. In rare cases where the decision about how and for what purpose the asset is used is predetermined, the Group has the right to direct the use of the asset if either the Group has the right to operate the asset; or the Group designed the asset in a way that predetermines how and for what purpose it will be used

At inception or on reassessment of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of their stand-alone price. However, for the lease of land and buildings in which it is a lessee, the Group has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

Short-term lease

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

Share capital

Ordinary shares issued by the Group are classified as equity.

Current versus non-current classification

The Group presents assets and liabilities based on current/non-current classification.
An asset is current when it is:

- Expected to be realized or intended to be sold or consumed in normal operating cycle,
- Held primarily for the purpose of trading;
- Expected to be realized or intended to be sold or consumed in normal operating cycle, held primarily for the purpose of trading;
- Expected to be realised within twelve months after the reporting period, or

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Current versus non-current classification (continued)

- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

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

The Group classifies all other liabilities as non-current.

Revenue recognition

Revenue from contracts with customers

The Group recognises revenue from contracts with customers based on a five-step model as set out in IFRS 15:

Step 1. Identify the contract(s) with a customer: A contract is defined as an agreement between two or more parties that creates enforceable rights and obligations and sets out the criteria for every contract that must be met.

Step 2. Identify the performance obligations in the contract: A performance obligation is a promise in a contract with a customer to transfer a good or service to the customer.

Step 3. Determine the transaction price: The transaction price is the amount of consideration to which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

Step 4. Allocate the transaction price to the performance obligations in the contract: For a contract that has more than one performance obligation, the Group will allocate the transaction price to each performance obligation in an amount that depicts the amount of consideration to which the Group expects to be entitled in exchange for satisfying each performance obligation.

Step 5. Recognise revenue when (or as) the Group satisfies a performance obligation.

The Group satisfies a performance obligation and recognises revenue over time, if one of the following criteria is met:

1. The customer simultaneously receives and consumes the benefits provided by the Group’s performance as the Group performs; or
2. The Group’s performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or
3. The Group’s performance does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenue recognition (continued)

Revenue from contracts with customers (continued)

For performance obligations where one of the above conditions are not met, revenue is recognised at the point in time at which the performance obligation is satisfied.

When the Group satisfies a performance obligation by delivering the promised goods or services it creates a contract asset based on the amount of consideration earned by the performance. Where the amount of consideration received from a customer exceeds the amount of revenue recognised this gives rise to a contract liability. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment.

The Group assesses its revenue arrangements against specific criteria to determine if it is acting as principal or agent. The Group has concluded that it is acting as a principal in all of its revenue arrangements.

Brokerage commission income

The Group’s contracts with customers pertains to provision of brokerage services which constitutes only one performance obligation. The commission income is recognized when a sale or purchase of equity transaction is completed.

Volume rebates

Some contracts for the brokerage service includes volume rebates. As the Group provides volume rebates on trading transactions to its customers, revenue is recognised at a point in time.

Dividend income from investment securities

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

Income from information technology services

Income from information technology services is recognized when the services are delivered and right to receive income is established.

Real estate income

Real estate brokerage fee income is recognized when the brokerage service is provided and when the right to receive the income has been established.

Revenue from sale of real estate trading properties is recognized when control is passed to the buyer and the Group retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the properties sold. Income from cancellation of sales contract is recognized based on underlying contractual terms.

Other income

Revenue is recognized when earned.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Interest income / expenses

Interest income is recognized in the statement of profit using the effective interest method.

The effective interest rate is the rate that exactly discounts the estimated future cash payments and receipts through the expected life of the financial asset or liability (or, where appropriate, a shorter period) to the carrying amount of the financial asset or liability. When calculating the effective interest rate, the Group estimates future cash flows considering all contractual terms of the financial instrument, but not future credit losses.

The calculation of the effective interest rate includes all transaction costs and fees and points paid or received that are an integral part of the effective interest rate. Transaction costs include incremental costs that are directly attributable to the acquisition or issue of a financial asset or liability. Interest income and expense

presented in the statement of comprehensive income include interest on financial assets and financial liabilities measured at amortized cost calculated on an effective interest basis.

Borrowing costs that are directly attributable to the acquisition, construction, or production of a qualifying asset, being an asset that necessarily takes a substantial period of time to get ready for its intended use or sale, are capitalized as part of the cost of the qualifying asset.

Contingent assets and liabilities

Contingent assets are not recognized in the consolidated financial statements but are disclosed when an inflow of economic benefits is probable.

Contingent liabilities are not recognized in the consolidated financial statements but are disclosed unless the possibility of an outflow of resources embodying economic benefits is remote.

(All amounts expressed in thousands of Qatari Riyal unless otherwise stated)

4. CASH AND CASH EQUIVALENTS

	2022	2021
Cash in hand	7	12
Cash in banks	47,618	36,475
Short - term deposits (maturity less than 90 days)	22,000	37,041
	69,625	**73,528**

The Company generated interest income from the short - term deposits amounting to QR 1,288 thousand (2021: QR 739 thousand) during the year. The Company earned interest income at an average interest rate of 2% (2021: 1.1%) per annum.

5. BROKERAGE - ACTIVITY DISCLOSURES

The "Bank balances - customers funds" represents the cash advances received from the Group's trading customers or the collections received from QCSD in trading customers' securities. The Group recognizes liability for these fund balances which is presented as part of "Due to customers" account. Any QCSD's outstanding balances (due from or due to) are to be collected / settled on the third working day ("T+3").

The Group generates commission income for every trading transaction held in stock exchange and recognizes the related commission expense incurred with QCSD and QSE. The net commission earned in these transactions are presented as part of "Net brokerage commission income" account.

	2022	2021
Bank balances – customers' funds	**352,118**	**351,648**
Due from QCSD	**-**	**20,357**
Due to customers	**319,750**	**363,469**
Due to QCSD	**16,283**	**-**
Net brokerage commission income	**16,372**	**15,873**

6. DUE FROM CUSTOMERS

	2022	2021
Due from customers, gross	14,295	14,085
Provision for impairment of due from customers	(13,953)	(13,980)
Due from customers, net	**342**	**105**

(1) As at year end, the aging of unimpaired due from customers is as follows:

			Past due but not impaired				
	Total	***Neither past due nor impaired***	***0 – 90 days***	***91 – 180 days***	***181 – 360 days***	***More than 360 days***	***Credit-impaired***
31 December 2022	**342**	-	-	-	-	14,295	(13,953)
31 December 2021	**105**	-	-	-	-	14,085	(13,980)

Unimpaired amounts of due from customer balances are expected to be fully recoverable. It is not the practice of the Group to obtain collateral over receivables.

(All amounts expressed in thousands of Qatari Riyal unless otherwise stated)

7. INVESTMENTS SECURITIES

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

	2022	**2021**
Current asset		
Quoted investments at FVTPL	65,291	97,323
Non - current asset		
Quoted investments at FVOCI	5,426	7,095
Unquoted investment at FVOCI	1,997	1,486
	7,423	**8,581**
	72,714	**105,904**

The movements in quoted investment securities designated as FVOCI and FVTPL are as follows:

	2022	**2021**
At 1 January	105,904	73,267
Additions during the year	92,942	90,586
Disposals during the year	(115,131)	(65,767)
Net change in fair values at:		
- FVTPL	(11,473)	6,041
- FVOCI	472	1,777
At 31 December	**72,714**	**105,904**

The Group recognized dividend income from the investment securities amounting to QR 4,872 thousand (2021: QR 2,214 thousand) during the year.

The Group recognized gain on sale of investment securities at FVTPL amounting to QR 9,850 thousand (2021: QR 4,345 thousand).

The movements in fair value reserve of investments securities at FVOCI during the year are as follows:

	2022	**2021**
At 1 January	317	(1,460)
Fair value movement through OCI	702	2,317
Reclassification of net change in fair value of investment securities in FVOCI upon derecognition	(230)	(540)
Net change in fair value at FVOCI	**472**	**1,777**
At 31 December	**789**	**317**

(All amounts expressed in thousands of Qatari Riyal unless otherwise stated)

8. OTHER ASSETS

	2022	2021
Real estate advances	10,085	3,069
Less: provision for impairment of real estate advances (i)	(7,750)	-
	2,335	**3,069**
Advances to portfolio manager	24,819	6,953
Prepayments and advances	4,326	2,051
Accrued income	52	92
Other receivables	37	27
	31,569	**12,192**

(i) A provision for impairment amounting to QR 7,750 thousand has been recorded related to an advance given to the main supplier for the Al-Makkan project. The supplier was hired to build and operate fan zone on rented land for the FIFA World Cup 2022, but the company terminated the contract due to the contractor's non-compliance and refusal to return the funds. The company has initiated legal proceedings to recover the advance, and the case is currently ongoing. The management has fully provided a provision for this amount in the financial statements. The supplier has raised a legal case against the company, claiming compensation for damages resulting from the termination of the contract. The case is presently ongoing in the court.

9. TRADING PROPERTIES

The company acquired residential properties, which it intends to sell in the ordinary course of business. All trading properties are held in the state of Qatar. The movement is trading properties is set out below:

	2022	2021
At 1 January	16,253	28,801
Disposals	(7,223)	(12,548)
At 31 December	**9,030**	**16,253**

At 31 December 2022 The trading properties comprise of 5 residential villas (2021: 9 residential villas). These properties are available for trading and measured at the lower of cost and net realizable value (NRV). The cost of each villa is QR 1,806 thousand.

10. INTANGIBLE ASSET

	2022	2021
Cost:		
At 1 January / December (i)	3,902	3,902
Addition during the year (ii)	149	-
	4,051	**3,902**
Accumulated amortization:		
At 1 January	2,357	1,652
Charge during the year (Note 20)	588	705
At 31 December	**2,945**	**2,357**
Carrying amount	**1,106**	**1,545**

(i) This pertains to the Group's brokerage trading platform software and computer software.

(ii) During the year the Company purchased license for a period of three years.

(All amounts expressed in thousands of Qatari Riyal unless otherwise stated)

11. PROPERTY AND EQUIPMENT

	Land	**Buildings**	**Leasehold improvements**	**Furniture and fixtures**	**Computer system and software**	**Office equipment**	**Motor vehicles**	**Capital work in progress**	**Total**
Cost									
At 1 January 2021	29,097	13,886	98	1,594	43,093	3,322	751	511	92,352
Additions	-	325	-	1	235	-	-	801	1,362
Transfers from CWIP	-	114	-	35	275	-	-	(424)	-
At 31 December 2021	29,097	14,325	98	1,630	43,603	3,322	751	888	93,714
Additions	-	-	-	55	410	54	-	671	1,190
Transfers from CWIP	-	-	-	-	334	-	-	(334)	-
CWIP Write off	-	-	-	-	-	-	-	(423)	(423)
At 31 December 2022	29,097	14,325	98	1,685	44,347	3,376	751	802	94,481
Accumulated depreciation									
At 1 January 2021	-	7,261	98	1,573	41,044	3,247	751	-	53,974
Charge for the year (Note 20)	-	804	-	42	1,264	22	-	-	2,132
At 31 December 2021	-	8,065	98	1,615	42,308	3,269	751	-	56,106
Charge for the year (Note 20)	-	803	-	17	1,187	27	-	-	2,034
At 31 December 2022	-	8,868	98	1,632	43,495	3,296	751	-	58,140
Carrying amounts									
At 31 December 2022	**29,097**	**5,457**	**-**	**53**	**852**	**80**	**-**	**802**	**36,341**
At 31 December 2021	**29,097**	**6,260**	**-**	**15**	**1,295**	**53**	**-**	**888**	**37,608**

(All amounts expressed in thousands of Qatari Riyal unless otherwise stated)

12. PROVISIONS FOR LEGAL CASES

	2022	2021
At 1 January	9,850	4,850
Charged during the year	20,902	5,200
Payments made during the year	(4,350)	(200)
At 31 December	**26,402**	**9,850**

As of 31 December 2022, the provision for legal cases is comprises of the followings:

No.,	Plaintiff	Legal case reference	Court ruling	Provision provided
1	Customer	2925/2019	11,050	11,050
2	QFMA	10/2020	10,000	5,000
3	QFMA	1/2021	8,852	8,852
4	QFMA	3/2021	2,000	1,000
5	QFMA	19/2021	500	500
			32,402	**26,402**

1. The Company and two other parties were subject to a criminal case filed by the public prosecution in 2019 (case no. 2925/2019). The appeal (no. 855/2021) resulted in a penalty of QR 100,000 and a joint obligation to pay QR 10.95 million. The Company provided a 100% provision to cover any adverse outcome.
2. The Accountability Committee of QFMA imposed a penalty of QR 10 million in 2021 for regulatory violations (10/2020). The Company provided a 50% provision to cover any adverse outcome (Note 24&31).
3. An arbitration sentence was issued by the Accountability Committee of QFMA (case no. 1/2021) which resulted in a requirement for the Company to pay QR 8.85 million to a customer. The Company provided a 100% provision to cover any adverse outcome.
4. The Accountability Committee of QFMA imposed a penalty of QR 2 million in 2021 (case no. 3/2021). The Company appealed this decision and provided a 50% provision to cover any adverse outcome (Note 24&31).
5. In 2021, the Accountability Committee of QFMA imposed a penalty of QR 500 thousand. The Company appealed the decision (case no. 19/2021) and provided a 100% provision to cover any adverse outcome.

13. OTHER LIABILITIES

	2022	2021
Dividends payable (i)	15,690	15,707
Accrued expenses	2,586	2,889
Refunds payable to property owners (ii)	1,639	-
Provision for an onerous contract (iii)	500	-
Commission payable	-	102
Provision for sports and social activities support fund	-	203
Other payables	33	1,392
	20,448	**20,293**

i) Pertain to dividends that were declared for shareholders between 2006 and 2011 but have not been claimed.

ii) During the year 2022, the subsidiary Dlala Real Estate W.L.L. entered into agreements with several property owners and collected registration fees for the "Invest Your Home" project. This project aimed to offer accommodations to FIFA World Cup 2022 fans through an online portal. However, the project did not yield the expected results, as only a few bookings were made via the portal. As a result, the management decided to terminate the project and arrange for the reimbursement of the registration fees to the respective owners.

iii) This provision reflects the anticipated losses resulting from a rental agreement, which the company cannot derive any economic benefits from due to the termination of the Al-Makkan project, as disclosed in Note 20.

(All amounts expressed in thousands of Qatari Riyal unless otherwise stated)

14. EMPLOYEES' END OF SERVICE BENEFITS

	2022	2021
At 1 January	4,971	4,527
Charged during the year (Note 21)	1,254	640
Payments made during the year	(1,139)	(196)
At 31 December	**5,086**	**4,971**

Management has classified the obligation within non-current liability in the consolidated statement of financial position as it does not expect that there will be significant payments towards its employees' end of service benefits obligation within 12 months from the reporting date. The provision is not discounted to present value as the effect of the time value of money is not expected to be significant.

15. SHARE CAPITAL

	2022	2021
Authorized, issued and fully paid:		
Ordinary shares of 190,387,200 at QR 1 each (2021: 284,160,000 at QR 1 each)	**190,387**	**284,160**

On 27 April 2022, an extraordinary general assembly meeting was held and approved the proposal to reduce the Company's share capital by 33%. This reduction represents 93,772,800 shares, which is equivalent to 93,772,800 Qatari riyals, to amortize the accumulated losses. Consequently, the Company's share capital decreased to 190,387,200 shares, which is equivalent to 190,387,200 Qatari riyals.

The procedure of updating the Commercial Registration and the amendment of the company's article of association was completed.

16. LEGAL RESERVE

In accordance with the requirements of the Qatar Commercial Companies Law No. 11 of 2015 and the Group's Articles of Association, an amount equal to 10% of the net profit for the year should be transferred to a legal reserve each year until this reserve is equal to 50% of the paid - up share capital. The reserve is not available for distribution except in the circumstances stipulated in the above law and the Group's Articles of Association. In accordance with its Articles of Association and statutory law requirements, the Group is transferring a specific percentage from its annual net profit to the legal reserve. No transfer had been made for the year ended 31 December 2022.

17. BROKERAGE COMMISSION EXPENSE

	2022	2021
Commission paid	9,339	9,073
Other brokerage expenses	362	368
	9,701	**9,441**

17. BROKERAGE COMMISSION EXPENSE (CONTINUED)

(i) Represents an amount of QR 7,916 thousand (2021: QR 7,677 thousand) paid during the year to Qatar Exchange (QE) and QR 1,423 thousand (2021: QR 1,396 thousand) paid to Qatar Central securities Depository Company (Q.C.S.D).

18. REAL ESTATE INCOME

	2022	2021
Income from sale of trading properties	1,426	-
Rental income	1,006	1,571
Fee income	312	267
Real estate brokerage	207	1,900
	2,951	**3,738**

19. OTHER INCOME

Compensation received from a customer in settlement of a legal case	226	8,198
Others	104	1,144
	330	**9,342**

20. GENERAL AND ADMINISTRATIVE EXPENSES

Staff costs (Note 21)	16,589	15,252
Professional fees	4,192	4,261
Information technology and communication costs	3,859	2,753
Depreciation of property and equipment (Note 11)	2,034	2,132
Rent (i)	1,120	120
Advertising	1,019	687
Regulatory fees, charges and penalties	751	956
Bank guarantee fee	600	659
Amortization of intangible assets (Note 10)	588	705
Provision for onerous contract (Note 13)	500	-
Repairs and maintenance	438	339
Others	231	1,116
	31,921	**28,980**

(i) This account pertains to short-term rental contracts.

21. STAFF COSTS

Salaries and benefits	15,335	14,612
Provision for employees' end of service benefits (Note 14)	1,254	640
	16,589	**15,252**

22. BASIC AND DILUTED (LOSS)/EARNINGS PER SHARE

Basic earnings per share are calculated by dividing the net profit for the year attributable to shareholders of the Group by the weighted average number of shares outstanding during the year. There were no potentially dilutive shares outstanding at any time during the year and, therefore, the dilutive earnings per share are equal to the basic earnings per share.

	2022	2021
(Loss) / profit attributable to equity holders of the Group	(36,383)	8,493
Weighted average number of shares outstanding during the year (In thousands) (Note 15)	265,404	284,160
Basic and diluted (loss)/earnings per share (QR)	(0.14)	0.03

(All amounts expressed in thousands of Qatari Riyal unless otherwise stated)

23. RELATED PARTY DISCLOSURES

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

a) Related party transactions

	2022	2021
Key management personnel and their close family members:		
Net brokerage commission income (*)	125	66
Portfolio management income	23	-

(*) During the year, the Group earned a total net brokerage commission income of QR 16,372 thousand (2021: QR 15,873 thousand) as stated in Note 5. Within this amount, the Group earned a net brokerage commission income of QR 125 thousand (2021: QR 66 thousand) from related parties.

	2022	2021
Salaries and short - term employee benefits (*)	2,184	2,139
Attendance allowance of meetings	244	522
Retirement benefits	125	54
	2,553	**2,715**

(*) The employee benefits disclosed above pertain to payments made to the former Chief Executive Officer of Dlala Real Estate W.L.L., whose employment contract was terminated on 10 October 2022. A legal case has been filed against the company for unjust dismissal, and further details are provided in Note 24 of the financial statements.

	2022	2021
b) Related party balance		
Key management personnel and their close family members:		
Due to customers	**702**	**-**

24. COMMITMENTS AND CONTINGENCIES

The Group had the following commitments and contingent liabilities as at reporting date:

	2022	2021
Letters of guarantee (i)	150,000	150,000
Legal cases (ii)	29,208	10,950

(i) This balance reflects the financial guarantees provided by banks on behalf of the Group to QCSD as a part of normal business operations, and will be due within twelve months from the reporting date.

(ii) Pertains ongoing legal cases for which no provisions have been made.

(All amounts expressed in thousands of Qatari Riyal unless otherwise stated)

25. SEGMENT INFORMATION

For management purposes, the Group is organised into four strategic business units based on their nature of activities, thus, it has four reportable segments which are as follows:

- Stock brokerage – this segment includes financial services provided to customers as a stockbroker in the QSE;
- Real estate – this segment includes providing property management, marketing and sales services for real estate clients;
- Information technology– this segment includes information technology management and consultation services and developing and programming of IT programs; and
- Others – represents the operations of holding Group which provides corporate services to subsidiaries in the Group and is also engaged in investing activities.

The Group's management separately monitors the operating results of the operating segments for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on the operating profit or loss.

The Group's Chief Executive Officer reviews the internal management reports of each business unit at least quarterly.

	Stock Brokerage	**Real estate**	**Information technology**	**Others**	**Elimination**	**Total**
31 December 2022						
Brokerage commission income, net	16,049	-	-	323	-	16,372
Real estate income	-	3,109	-	573	(731)	2,951
Other revenues	3,685	206	-	2,003	(1,027)	4,867
Segment revenue	**19,734**	**3,315**	**-**	**2,899**	**(1,758)**	**24,190**
Segment expenses	(36,766)	(15,094)	(843)	(29,627)	21,757	(60,573)
Segment losses	**(17,032)**	**(11,779)**	**(843)**	**(26,728)**	**19,999**	**(36,383)**
Depreciation and amortization	**638**	**257**	**3**	**1,723**	**-**	**2,621**
Segment assets	**497,557**	**24,718**	**19,287**	**221,939**	**(190,656)**	**572,845**
Segment liabilities	**381,867**	**857**	**-**	**52,743**	**(47,498)**	**387,969**

(All amounts expressed in thousands of Qatari Riyal unless otherwise stated)

25. SEGMENT INFORMATION (CONTINUED)

	Stock Brokerage	Real estate	Information technology	Others	Elimination	Total
31 December 2021						
Brokerage commission income, net	15,873	-	-	-	-	15,873
Real estate income	-	4,853	-	-	-	4,853
Other revenues	8,432	-	270	4,899	(1,377)	12,224
Segment revenue	**24,305**	**4,853**	**292**	**4,899**	**(1,377)**	**32,972**
Segment expenses	(11,156)	(3,616)	(2,783)	(41,719)	34,796	(24,478)
Segment profits/(losses)	**13,149**	**1,237**	**(2,491)**	**(36,820)**	**33,419**	**8,494**
Depreciation and amortization	**490**	**820**	**171**	**1,357**	**-**	**2,838**
Segment assets	**512,227**	**71,954**	**14,451**	**249,543**	**(229,035)**	**619,140**
Segment liabilities	**386,071**	**315**	**3,638**	**37,203**	**(28,644)**	**398,583**

26. FINANCIAL RISKS AND CAPITAL MANAGEMENT

Financial risks

The risk management function within the Group is carried out in respect of financial risks.

Financial risks are risks arising from financial instruments to which the Group is exposed during or at the end of the reporting period. Financial risk comprises market, credit, liquidity risks. The primary objectives of the financial risk management function are to establish risk limits, and then ensure that exposure to risks stays within these limits.

a) Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates will affect the Group's income or the value of its holdings of financial assets. The objective of market risks management is to manage and control market risk exposures within acceptable parameters, while optimising the return. The Group has a set of acceptable parameters, based on value at risk, that may be accepted, and which is monitored on a regular basis.

Interest rate risk

Interest rate risk is the risk that the Group's earnings will be affected as a result of fluctuations in the value of financial instruments due to changes in market interest rates. As the Group has no significant interest-bearing assets, the Group's income and operating cash flows are substantially independent of changes in market interest rates. The Group's interest rate risk arises from short term deposits Management monitors the interest rate fluctuations on a continuous basis and acts accordingly.

(All amounts expressed in thousands of Qatari Riyal unless otherwise stated)

26. FINANCIAL RISKS AND CAPITAL MANAGEMENT (CONTINUED)

Financial risks (continued)

	2022	**2021**
Floating interest rate instruments		
Short - term deposits (Note 4)	22,000	37,041

The following table demonstrates the sensitivity of the statement of profit or loss to reasonably possible changes in interest rates by 25 basis points, with all other variables held constant. The sensitivity of the statement of profit or loss is the effect of the assumed changes in interest rates for one year, based on the floating rate financial liabilities held at the date.

	Increase in basis points	***Effect on profit***
31 December 2022		
Floating interest rate instruments	**+25**	**55**
	-25	**(55)**
31 December 2021	**+25**	**92**
Floating interest rate instruments	**-25**	**(92)**

Equity price risk

The following table demonstrates the sensitivity of the effect of cumulative changes in fair values recognised in the equity to reasonably possible changes in equity prices, with all other variables held constant. The effect of decreases in equity prices is expected to be equal and opposite to the effect of the increases shown below:

	Changes in equity prices	***Effect on equity***
31 December 2022		
Investments in securities at FVTPL and FVOCI	**+5%**	**3,636**
31 December 2021		
Investments in securities at FVTPL and FVOCI	**+5%**	**5,295**

Currency risk

Currency risk is the risk that the value of a financial assets and liabilities will fluctuate due to a change in foreign exchange rates. The Group is not exposed to significant foreign exchange risk as it primarily transacts in Qatar Riyal which is the Group's functional currency. As the Qatari Riyals is pegged to the US Dollar, balances in US Dollar are not considered to represent a significant currency risk.

b) Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Group's exposure to credit risk is as indicated by the carrying amounts of its financial assets which consist principally cash and cash equivalents, bank balances – customer funds, due from customers, due from QCSD and certain other assets. The Group seeks to limit its credit risk with respect to banks by only dealing with reputable banks and with respect to customers by setting credit limits and monitoring outstanding receivables. Credit evaluations are performed on all customers requiring credit and are approved by the Group's management.

(All amounts expressed in thousands of Qatari Riyal unless otherwise stated)

26. FINANCIAL RISKS AND CAPITAL MANAGEMENT (CONTINUED)

Financial risks (continued)

Below table summarises the maximum exposure of the Group equal to the carrying amounts of these financial assets are as follows:

	2022	**2021**
Cash in banks	69,618	73,516
Bank balances - customer funds	352,118	351,648
Due from QCSD	-	20,357
Due from customers	342	105
	422,078	**445,626**

Cash in banks and bank balances - customer funds

These are held with a credit worthy and reputable banks. As a result, management believes that the credit risk in respect of its cash at banks is minimal.

Due from QCSD

Management believes that there is no significant credit risk from the outstanding amount from QCSD as it is a government entity.

Due from customers and other assets

The Group limits its exposure to credit risk from these financial assets by evaluating the creditworthiness of each counter - party prior to entering into contracts; establishing sale limits for each counterparty which are reviewed regularly; and periodically reviewing the collectability of its receivables for identification of any impaired amounts.

b) Liquidity risk

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

The table summarises the maturity profile of the Group's undiscounted financial liabilities at reporting date based on contractual payment dates and current market profit.

	On demand	**Less than 1 year**	**1 year > 3 years**	**Total**
At 31 December 2022				
Due to customers	319,750	-	-	319,750
Dividend payable	15,690	-	-	15,690
Due to QCSD	16,283	-	-	16,283
Other liabilities (excluding non-financial liabilities)	-	4,258	-	4,258
Total	**351,723**	**4,258**	-	**355,981**
31 December 2021				
Due to customers	363,469	-	-	363,469
Dividend payable	15,707	-	-	15,707
Due to QCSD	-	-	-	-
Other liabilities (excluding non-financial liabilities)	-	4,383	-	4,383
Total	**379,176**	**4,383**	-	**383,559**

(All amounts expressed in thousands of Qatari Riyal unless otherwise stated)

26. FINANCIAL RISKS AND CAPITAL MANAGEMENT (CONTINUED)

Capital management

The management's policy is to maintain a strong capital base so as to maintain investor, creditor and to sustain future development of the business. The management monitors the capital, which the Group defines as total equity and is measured at a surplus of QR 184,876 as at 31 December 2022 (2021: QR 220,557).

The Group manages its capital structure and makes adjustments to it, in light of changes in business conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to partners, or increase capital. During the year, the Company have reduced the share capital to QR 190,387,200, a decrease of QR 93,772,800 (33%) in order to extinguish the accumulated losses of the Company and its subsidiaries. (Note 15).

27. FAIR VALUES OF FINANCIAL INSTRUMENTS

Fair value hierarchy

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 are not based on observable market data.

As at 31 December 2022, the following table shows an analysis of financial instruments recorded at fair value by level of fair value hierarchy:

Accounting classification and fair values

The following table shows the carrying amounts and fair values of financials assets and financial liabilities, including their levels in the fair value hierarchy. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

	Carrying amounts		**Fair values**			
	Investment securities at FVTPL and FVOCI	**Amortized cost**	**Level 1**	**Level 2**	**Level 3**	**Total**
As at 31 December 2022						
Financial assets measured at fair values						
Investment securities at FVTPL	70,717	-	70,717	-	-	70,717
Investment securities at FVOCI	1,997	-	-	-	1,997	1,997
Financial assets not measured at fair values						
Cash and cash equivalents	-	69,625	-	-	-	-
Bank balances – customer funds	-	352,118	-	-	-	-
Due from customers	-	342	-	-	-	-
Financial liabilities not measured at fair values						
Due to customers	-	319,750	-	-	-	-
Due to QCSD	-	16,283	-	-	-	-
Other liabilities (excluding non - financial liabilities)	-	4,383	-	-	-	-

(All amounts expressed in thousands of Qatari Riyal unless otherwise stated)

27. FAIR VALUES OF FINANCIAL INSTRUMENTS (CONTINUED)

	Carrying amounts		**Fair values**			
	Investment securities at FVTPL and FVOCI	**Amortized cost**	**Level 1**	**Level 2**	**Level 3**	**Total**
As at 31 December 2021						
Financial assets measured at fair values						
Investment securities at FVTPL	104,418	-	104,418	-	-	104,418
Investment securities at FVOCI	1,486	-	7,095	-	1,486	8,581
Financial assets not measured at fair values						
Cash and cash equivalents				-	-	-
Bank balances – customer funds	-	73,516	-	-	-	-
Due from customers	-	351,648	-	-	-	-
Financial liabilities not measured at fair values	-	105	-			
Due to customers	-	20,357	-	-	-	-
Due to QCSD	-	12,192	-	-	-	-
Other liabilities (excluding non - financial liabilities)				-	-	-

There were no transfers between Level 1 and Level 2 fair value measurements, and no transfers into or out of Level 3 fair value measurements.

28. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

In preparing these consolidated financial statements, management has made judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognised prospectively.

Information about significant areas that involve higher degree of judgment or complexity, or areas where assumptions or estimates have a significant risk of resulting in a material adjustment to the amounts recognised in the consolidated financial statements are as follows:

Impairment of receivables

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

28. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (CONTINUED)

Business model assessment

Classification and measurement of financial assets depends on the results of the SPPI and the business model test. The Group determines the business model at a level that reflects how groups of financial assets are 0managed together to achieve a particular business objective. This is assessment includes judgment reflecting all relevant evidence including how the performance of the assets is evaluated and their performance measured, the risks that affect the performance of the assets and how the managers of the assets are compensated. The Group monitors financial assets measured at amortised cost that are derecognised prior to their maturity to understand the reason for their disposal and whether the reasons are consistent with the objective of the business for which the asset was held. Monitoring is part of Group's continuous assessment of whether the business model for which the remaining financial assets are held continues to be appropriate and if it is not appropriate whether there has been a change in business model and so a prospective change to the classification of those assets. No such changes required during the year.

Useful lives of intangible asset and property and equipment

The Group's management determines the estimated useful lives of its intangible assets and property and equipment in order to calculate the depreciation and the amortisation. This estimate is determined after considering the expected usage of the asset and intangibles, physical wear and tear, technical or commercial obsolescence. The Group's management reviews the residual value and useful lives annually and future depreciation and amortisation charge would be adjusted where the management believes the useful lives differ from previous estimates.

Impairment of non-financial assets

The carrying amounts of the Group's non-financial assets (intangible asset and property and equipment) are reviewed at each reporting date to determine whether there is any indication of impairment. The determination of what can be considered impaired requires significant judgement. As at the reporting date, management did not identify any evidence from internal reporting indicating impairment of an asset or class of assets.

Provision for employees' end of service benefits

Management has measured the Group's obligation for the post-employment benefits of its employees based on the provisions of the Qatar Labour Law No. 14 of 2004. Management does not perform an actuarial valuation as required by International Accounting Standard 19 "Employee Benefits" as it estimates that such valuation does not result to a significantly different level of provision. The calculation of the provision is performed by management at the end of each year, and any change to the projected benefit obligation at the year-end is adjusted in the provision for employees' end of service benefits in the profit or loss.

Other provisions and liabilities

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

(All amounts expressed in thousands of Qatari Riyal unless otherwise stated)

28. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (CONTINUED)

Going concern

The Group's management has made an assessment of the Group's ability to continue as a going concern and is satisfied that the Group has the resources to continue in business for the foreseeable future. Furthermore, the management is not aware of any material uncertainties that may cast significant doubt upon the Group's ability to continue as a going concern. Therefore, the consolidated financial statements continue to be prepared on a going concern basis.

29. COMPARATIVE INFORMATION

Certain changes in the classification of accounts and accordingly, to the supporting note disclosures have been made to the previous year's consolidated financial statements to confirm to the current year's consolidated financial statements' presentation.

The reclassification did not materially affect previously reported profit or equity.

Statement of profit or loss	As previously reported 31 December 2021	Reclassification	As reclassified 31 December 2021
General and administrative expenses	26,143	2,837	28,980
Depreciation expense of property and equipment	2,132	(2,132)	-
Amortisation expense of intangible asset	706	(706)	-
Repairs and maintenance - General and administrative expenses	-	339	339
Rent - General and administrative expenses	-	120	120
Others - General and administrative expenses	1,574	(459)	1,115

The presentation and classification of items in the consolidated financial statements shall be retained from one year to the next unless a change in presentation including the reclassification of comparative figures provides more reliable and relevant information to the users of the consolidated financial statements. The reclassifications of comparative figures did not affect the previously reported results of operations and equity.

30. EFFECTS OF COVID - 19

The coronavirus (COVID-19) pandemic has posed significant challenges to business activities and introduced uncertainty in the conduct of most businesses in the State of Qatar and globally and, as a result, a significant risk of material adjustment to the carrying amounts of assets and liabilities may have arisen. COVID-19 pandemic continues to progress and evolve, therefore, it is challenging now, to predict the full extent and duration of its business and economic impact.

The Group continues to closely monitor as the situation progresses to manage any associated risk that may arise impacting business operations and financial performance in 2022. In view of the situation, the Group considered whether any adjustments and changes in judgments, estimates, and risk management are required to be considered and reported in the consolidated financial statements.

31. SUBSEQUENT EVENTS

On 18 January 2023, the Board of Directors of the Company decided to liquidate the Dlala Information Technology Company W.L.L., a Subsidiary Company and discontinue its activities and plan for an orderly discontinuance, surrender of license and solvent liquidation of the Company's business. As a result of the liquidation, the Company has written off the full amount of investment in subsidiary.

On 28 February 2023, the judgment of the Court of Cassation in Appeal No. (795/2022) filed by its affiliated Dlala Brokerage Company against the Appeals Court's decision in numbers (26, 41, 42/2022), which ruled to uphold the Accounting Committee's decision No. 10/2020 of the Authority Qatar Financial Markets imposed a financial penalty on Dlala Brokerage Company in the amount of ten million Qatari riyals, as the ruling of the Court of Cassation decided to appeal the contested ruling and refer the case to the Court of Appeal to decide it again in a panel composed of other judges (Note 12).