Qatar Electronic Systems Company (Techno Q) Q.P.S.C.

Consolidated financial statements

31 December 2024

Qatar Electronic Systems Company (Techno Q) Q.P.S.C.

Consolidated Financial Statements
As at and for the year ended 31 December 2024

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Independent auditor's report

To the Shareholders of

Qatar Electronic Systems Company (Techno Q) Q.P.S.C.

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Qatar Electronic Systems Company (Techno Q) Q.P.S.C. (the "Company") and its subsidiaries (together the "Group"), which comprise the consolidated statement of financial position as at 31 December 2024, the consolidated statements of profit or loss and other comprehensive income, changes in equity and cash flows for the year then ended, and notes, comprising material accounting policies and other explanatory information.

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 2024, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IFRS Accounting Standards).

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

Independent auditor's report (continued)

Qatar Electronic Systems Company (Techno Q) Q.P.S.C.

Report on the Audit of the Consolidated Financial Statements

Key Audit Matters

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

Revenue recognition	
See note 21 to the consolidated financial statements.	
The key audit matter	**How the matter was addressed in our audit**
We focused on this area because of the following reasons: • Project revenue for the year ended 31 December 2024 amounts to QR 198,853,145 (2023: QR 253,526,472), which represents 94% (2023: 94%) of the Group's total revenue, hence a material portion of the consolidated statement of profit or loss for the year ended 31 December 2024. • Project revenue is measured using the stage of completion method that involves use of significant judgment and estimates.	Our audit procedures in this area include, among other things: • Assessing the design, implementation and operating effectiveness of the relevant internal controls over revenue recognition from projects. • Inspecting the contracts with customers to understand key terms, such as project scope, duration, payment milestones, and performance obligations to evaluate that revenue is recognised in accordance with the terms of the agreements and the requirements of IFRS 15. • Analysing the original and updated budgets to verify that the cost estimates are reasonable and complete in arriving at the percentage of completion and independently recalculating the stage of completion. • Performing test of details on a sample of costs incurred by inspecting relevant supporting documents such as invoices, timesheets, payroll records etc. • Evaluating the adequacy of the financial statement disclosures, including disclosure of key assumptions and judgements.

Independent auditor's report (continued)

Qatar Electronic Systems Company (Techno Q) Q.P.S.C.

Report on the Audit of the Consolidated Financial Statements (Continued)

Other information

The Board of Directors is responsible for the other information. The other information comprises the information included in the Annual Report but does not include the consolidated financial statements and our auditor's report thereon. Prior to the date of this auditor's report, we obtained the report of the Board of Directors which forms part of the Annual Report, and the remaining sections of the Annual Report are expected to be made available to us after that date.

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

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

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

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 IFRS accounting standards, and for such internal control as the 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 the 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 judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

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Independent auditor's report (continued)

Qatar Electronic Systems Company (Techno Q) Q.P.S.C.

Report on the Audit of the Consolidated Financial Statements (Continued)

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

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.

- Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' 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 auditors' 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.

- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the Group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion

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

We also provide the Board of Directors with a statement that we have complied with relevant ethical requirements regarding independence and 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 are therefore the key audit matters. We describe these matters in our auditors' 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.

Independent auditor's report (continued)

Qatar Electronic Systems Company (Techno Q) Q.P.S.C.

Report on the Audit of the Consolidated Financial Statements (Continued)

Report on Other Legal and Regulatory Requirements

As required by the Qatar Commercial Companies Law No. 11 of 2015, whose certain provisions were subsequently amended by Law No. 8 of 2021 ("amended QCCL"), we also report that:

i) We have obtained all the information and explanations we considered necessary for the purposes of our audit.

ii) The Company has maintained proper accounting records, and its consolidated financial statements are in agreement therewith.

iii) We have read the report of the Board of Directors to be included in the Annual Report, and the financial information contained therein is in agreement with the books and records of the Company.

iv) Furthermore, the physical count of the Company's inventories was carried out in accordance with established principles.

v) We are not aware of any violations of the applicable provisions of the amended QCCL or the terms of the Company's Articles of Association having occurred during the year which might have had a material effect on the Company's consolidated financial position or performance as at and for the year ended 31 December 2024.

25 March 2025
Doha
State of Qatar

Yacoub Hobeika
KPMG
Qatar Auditors' Registry Number 289
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Consolidated Statement Of Financial Position
As at 31 December 2024

In Qatari Riyals

	Note	2024	2023
ASSETS			
Property and equipment	5	2,189,656	2,753,744
Right-of-use assets	6	5,945,167	2,078,361
Intangible assets	7	1,652,998	1,315,218
Trade and other receivables	9	12,335,034	6,297,042
Non-current assets		22,122,855	12,444,365
Inventories	8	10,251,619	22,275,611
Trade and other receivables	9	154,423,608	203,880,505
Due from related parties	18(a)	1,707,085	358,328
Cash and cash equivalents	10	67,953,332	64,404,669
Current assets		234,335,644	290,919,113
TOTAL ASSETS		**256,458,499**	303,363,478
EQUITY			
Share capital	11	84,500,000	84,500,000
Legal reserve	13	5,983,367	3,847,973
Retained earnings		32,055,246	25,196,462
Equity attributable to owners of the Company		122,538,613	113,544,435
Non-controlling interest		(21,190)	(16,035)
Total Equity		122,517,423	113,528,400
LIABILITIES			
Borrowings	14	234,071	4,554,855
Lease liabilities	15	4,119,274	174,140
Provision for employees' end of service benefits	16	6,734,218	6,508,774
Non-current liability		11,087,563	11,237,769
Borrowings	14	453,834	7,383,790
Lease liabilities	15	1,840,158	2,021,920
Trade and other payables	17	120,559,521	169,033,628
Due to related parties	18(b)	-	157,971
Current liabilities		122,853,513	178,597,309
Total liabilities		133,941,076	189,835,078
TOTAL EQUITY AND LIABILITIES		**256,458,499**	303,363,478

These consolidated financial statements were approved by the management and signed on their behalf by the following :

Mr. Abdul Latif Al Jaidah	**Mr. Zeyad Al Jaidah**	**Mr. Abdullah Alansari**
Chairman	Managing Director	Chief Executive Officer

The notes on pages 10 to 38 are an integral part of these consolidated financial statements.

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الشركة القطرية للأنظمة الالكترونية
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Qatar Electronic Systems Company (Techno Q) Q.P.S.C.

Consolidated statement of profit or loss and other comprehensive Income
For the year ended 31 December 2024 In Qatari Riyals

	Note	2024	2023
Revenue	21	211,215,669	269,352,123
Cost of sales	22	(138,545,907)	(202,711,525)
Gross profit		**72,669,762**	66,640,598
Other income	23	3,807,440	717,300
General and administrative expenses	24	(44,480,804)	(39,299,471)
Impairment of trade receivables	9	(5,858,940)	-
Selling and distributing expenses	25	(2,670,874)	(5,193,141)
Listing expenses		(1,855,734)	(1,311,082)
Operating profit		21,610,850	21,554,204
Finance cost	26	(245,499)	(1,824,832)
Profit before tax		**21,365,351**	19,729,372
Income tax	27	(11,413)	-
Profit for the year		**21,353,938**	19,729,372
Other comprehensive income		-	-
Total comprehensive income for the year:		**21,353,938**	19,729,372
Total profit or comprehensive income attributable to:			
Owners of the Company		21,353,938	19,731,668
Non-controlling interest		(5,155)	(2,296)
		21,348,783	19,729,372
Earnings per share:			
Basic and diluted earnings per share (QAR)	28	**0.25**	0.39

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Consolidated statement of changes in equity
For the year ended 31 December 2024

In Qatari Riyals

	Share capital	Capital contribution (*)	Legal reserve	Retained earnings	Total	Non-controlling interest	Total
Balance at 1 January 2023	5,000,000	732,151	2,500,000	69,058,959	77,291,110	-	77,291,110
Transfer of capital contribution to capital **	732,151	(732,151)	-	-	-	-	-
Transfer from retained earnings to capital **	45,847,927	-	-	(45,847,927)	-	-	-
Transfer from related parties' "shareholder**	32,919,922	-	-	-	32,919,922	-	32,919,922
	79,500,000	(732,151)	-	(45,847,927)	32,919,922	-	32,919,922
Comprehensive income							
Profit for the year	-	-	-	19,731,668	19,731,668	(2,296)	19,729,372
Other comprehensive income	-	-	-	-	-	-	-
Total comprehensive income	-	-	-	19,731,668	19,731,668	(2,296)	19,729,372
Other movements				(2,355,337)	(2,355,337)	(13,739)	(2,369,076)
Transfer to legal reserve	-	-	1,347,973	(1,347,973)	-	-	-
Transactions with the owners:							
Dividends paid (Note 12)	-	-	-	(14,042,928)	(14,042,928)	-	(14,042,928)
Balance at 31 December 2023	84,500,000	-	3,847,973	25,196,462	113,544,435	(16,035)	113,528,400
Balance at 1 January 2024	84,500,000	-	3,847,973	25,196,462	113,544,435	(16,035)	113,528,400
Comprehensive income							
Profit for the year	-	-	-	21,353,938	21,353,938	(5,155)	21,348,783
Other comprehensive income	-	-	-	-	-	-	-
Total comprehensive income	-	-	-	21,353,938	21,353,938	(5,155)	21,348,783
Transfer to legal reserve	-	-	2,135,394	(2,135,394)	-	-	-
Contribution to Social and Sports Fund (Note 19)	-	-	-	(533,848)	(533,848)	-	(533,848)
Transactions with the owners:							
Dividends paid (Note 12)	-	-	-	(11,825,912)	(11,825,912)	-	(11,825,912)
Balance at 31 December 2024	**84,500,000**	-	**5,983,367**	**32,055,246**	**122,538,613**	**(21,190)**	**122,517,423**

*) Capital contribution represents the amount transferred from shareholders' accounts during 2023.

**) In accordance with the shareholders' decision dated 31 December 2023, the Company's share capital was increased by transferring QAR 33,652,073(QAR 732,151 from the capital contribution account, QAR 32,919,922 from due to related parties - shareholders) and QAR 45,847,927 from retained earnings.

The notes on pages 10 to 38 are an integral part of these consolidated financial statements.

Consolidated Statement of Cash Flows
For the year ended 31 December 2024 In Qatari Riyals

	Note	2024	2023
Cash flow from operating activities			
Profit before tax		21,365,351	19,729,372
Adjustments for:			
- Depreciation of property and equipment	5	958,356	852,711
- Depreciation of right-of-use assets	6	1,918,486	1,918,487
- Impairment of trade receivables	9	5,858,940	-
- Gain on disposal of property and equipment		-	(6,875)
- Write off inventory during the year	8	(109,288)	(2,134,727)
- Provision for slow moving inventories	8	200,000	1,593,265
- Provision for employees' end of service benefits	16	1,215,764	3,061,528
- Finance cost	26	245,499	1,824,832
- Profit from Islamic deposits	23	(1,670,071)	(200,389)
- Tax	27	(11,413)	-
		29,971,624	26,638,204
Changes in:			
- Inventories		11,714,704	(5,317,868)
- Trade receivables and other prepayments		37,559,965	(113,294,160)
- Due from related parties		(1,348,757)	14,881,508
- Due to a related party		(157,971)	31,473,327
- Trade and other payables		(48,474,107)	98,550,063
Cash generated from operating activities		**29,265,458**	52,931,074
Employees' end of service benefits paid	16	(990,320)	(825,198)
Finance cost paid		(496,006)	(1,949,138)
Net cash generated from operating activities		**27,779,132**	50,156,738
Cash flow from investing activities			
Acquisition of intangible assets	7	(337,780)	(212,334)
Acquisition of property and equipment	5	(394,268)	(1,130,156)
Acquisition of subsidiary, net of cash acquired		-	(1,114,199)
Proceed from sale of property and equipment		-	86,480
Profit received from Islamic deposits	23	1,670,071	200,389
Net cash used in investing activities		**938,023**	(2,169,820)
Cash flow from financing activities			
Proceeds from interest-bearing loans and borrowings		-	67,948,137
Repayment of interest-bearing loans and borrowings	14	(11,250,740)	(59,431,115)
Payment of principal portion of lease liabilities	15	(2,089,686)	(2,089,686)
Payment of principal portion of finance lease		(2,154)	(2,160)
Dividends paid		(11,825,912)	(14,042,928)
Net cash used in financing activities		**(25,168,492)**	(7,617,752)
Net increase in cash and cash equivalents		**3,548,663**	40,369,166
Cash and cash equivalents at 1 January		64,404,669	24,035,503
Cash and cash equivalents at 31 December	10	**67,953,332**	64,404,669

Non-Cash Transactions:	**2024**	2023
Capital increase	**-**	79,500,000
Acquisition of subsidiary	**-**	(32,919,922)

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The notes on pages 10 to 38 are an integral part of these consolidated financial statements.

1. REPORTING ENTITY

Qatar Electronic Systems Company Q.P.S.C (Techno Q) (the "Company"), is a public shareholding company registered in the State of Qatar under commercial registration no. 18116.

The Company's registered office is located at P.O. Box 18860, Doha, State of Qatar.

These consolidated financial statements comprise the Company and its subsidiaries (together referred to as the "Group").

The Company was initially incorporated as a limited liability company. On 22 May 2024, the Company's legal status was converted from a limited liability company to a Public Shareholding Company after obtaining the necessary approvals from the shareholders and the regulatory authorities in the State of Qatar. On 6 June 2024, Qatar Financial Markets Authority ("QFMA") approved the listing of the Company's ordinary fully paid-up shares in the Venture Market of Qatar Stock Exchange and the trading of the shares commenced on 26 June 2024.

The Company's principal activities, which remain unchanged from previous year, included providing systems integrator specializing in Audiovisual, extra low voltage, broadcast infrastructure, IT business solutions, lighting systems and hospitality solutions.

The parent company of the Group is Qatar Electronic Systems Company (Techno Q) Q.P.S.C.

The shareholding of the subsidiaries as at the current and comparative reporting dates were held as follows

Subsidiary Name	**Country of incorporation**	**31 December 2024**	31 December 2023
Techno Q Security Systems W.L.L*	State of Qatar	100%	100%
Quality for Integrated Systems L.L.C.	Oman	98%	98%
International Modern Dev. Contracting Co. L.L.C	Saudi Arabia	100%	100%

*Techno Q Security Systems W.L.L was acquired under attested purchase contract dated May 14, 2023.The parent company's control over the subsidiary began on January 1, 2023.

These consolidated financial statements were approved and authorised for issuance by the board of directors on 25 March 2025.

2. Basis of preparation

a) Statement of compliance

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

b) Basis of measurement

These consolidated financial statements have been prepared under the historical cost convention.

c) Functional and presentation currency

These consolidated financial statements are presented using the currency of the primary economic environment in which the Company operates (the "functional currency"). The Company has the Qatari Riyal ("QAR") as its functional currency.

2. Basis of preparation (continued)

d) Use of estimates and judgments

The preparation of consolidated financial statements in conformity with International Financial Reporting Standards requires that management make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily available from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future.

Information about critical judgments in applying accounting policies, assumptions and estimation uncertainties that have the most significant effect on the amount recognized in the consolidated financial statements are described as follows:

Useful lives, residual values and related depreciation charges of property and equipment

Management determines the estimated useful lives and residual values of its property and equipment to calculate depreciation. This estimate is determined after considering the expected usage of the asset or physical wear and tear. Management reviews the residual value and useful lives annually. Future depreciation charge would be adjusted where management believes the useful lives differ from previous estimates.

Valuation of lease liabilities and right-of-use assets

Extension and termination options are included in several leases across various classes of right-of-use asset. These terms are used to maximise operational flexibility in terms of managing contracts. In cases where lease contracts have indefinite term or are subject to auto renewal, lease term is determined considering the business case and reasonably certain renewal of lease. The present value of the lease payments is determined using the discount rate representing the incremental borrowing rate that a lessee would have to pay to borrow over a similar term, and with a similar security, the fund necessary to obtain an asset of a similar value to the right-to-use asset in a similar economic environment. Estimates and judgements are involved in determination of incremental borrowing rate.

Impairment of non-financial assets

The carrying amounts of the Group’s non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. The determination of what can be considered impaired requires judgement. As at the reporting date, management did not identify any evidence from internal reporting indicating impairment of an asset or class of assets and there were no significant adverse changes in the market that could have an adverse effect on its assets. If such indication exists, then management performs an impairment test. The determination of recoverable amounts require management to make significant judgments, estimations and assumptions.

Provision for expected credit losses

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 financial assets measured at amortised cost (trade and other receivables, due from related parties, and cash balances). 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. The magnitude of the loss in case there is a default is also an estimate of the loss arising on default; it is based on the difference between the contractual cash flows due and those that the Group would expect to receive.

2. Basis of preparation (continued)

e) Newly effective amendments and improvements to standards

This table lists the recent changes to the IFRS accounting Standards that are required to be applied by an entity with an annual reporting period beginning on 1 January 2024.

Effective date	New accounting standards or amendments
1 January 2024	• Lease Liability in a Sale and Leaseback – Amendments to IFRS 16 Leases.
	• Classification of liabilities as Current or Non-Current and Non-current Liabilities with Covenants – Amendments to IAS 1 Presentation of Financial Statements.
	• Amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures – Supplier Finance Arrangements.

The adoption of above amendments had no material impact on the Group's consolidated financial statements

f) IFRS requirements not yet effective, but available for early adoption

The table lists the recent changes to the IFRS accounting standards that are required to be applied for annual period beginning after 1 January 2024 and that are available for early adoption in annual periods beginning on 1 January 2024

Effective date	New accounting standards or amendments
1 January 2025	• Lack of Exchangeability – Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates
1 January 2026	• Amendments to the Classification and Measurement of Financial Instruments – Amendments to IFRS 9 Financial Instruments and IFRS 7 Financial Instruments: Disclosures. • Annual Improvements to IFRS Accounting Standards.
1 January 2027	• IFRS 18 Presentation and Disclosure in Financial Statements • IFRS 19 Subsidiaries without Public Accountability: Disclosures
To be confirmed	• Sale or Contribution of Assets between an Investor and its Associate or Joint Venture – Amendments to IFRS 10 Consolidated Financial Statements and IAS 28 Investments in Associates and Joint Ventures ***

*** The effective date for these amendments was deferred indefinitely. Early adoption continues to be permitted.

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

3. SUMMARY OF MATERIAL ACCOUNTING POLICIES

The following summary of material accounting policies have been consistently applied in the preparation of these consolidated financial statements, except if mentioned otherwise

a) Basis of consolidation

(i) Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

(ii) Non-controlling interests ("NCI")

NCI are measured initially at their proportionate share of the acquiree's identifiable net assets at the date of acquisition. Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

(iii) Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income and expenses (except for foreign currency transaction gains or losses) arising from intra-group transactions, are eliminated Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

b) Contract assets / liabilities

A contract in progress at the end of the reporting period is recorded at the net amount of (i) costs incurred to the reporting date; plus or minus (ii) recognised profit less recognised losses to the reporting date; minus (iii) progress billings to the reporting date.

The contracts in progress are presented in the statement of financial position as "Contract assets" or "Contract liabilities", if the net amount calculated is positive or negative respectively.

Progress billings not yet paid by the customers are included within trade receivables under "Trade and other receivables". Invoice value retained by the customers in line with the contract terms are shown as "Retentions receivable from customers" in the statement of financial position. as current or non-current depending upon prospective collections. Amounts received on commencement of contracts based on related contract provisions are treated as contract liabilities and presented as "Advances received from customers.

Accrued revenue on contracts represents revenue that has been earned for work performed or services rendered but has not yet been invoiced, in line with the terms of the contract.

3 SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

c) Revenue

Revenue is measured based on the consideration specified in a contract with a customer. The Group recognises revenue when it transfers control over a good or service to a customer.

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

Type of revenue	Nature, timing of satisfaction of performance obligations, significant payment terms	Revenue recognition policies
Rendering of Services- Project revenue	Customer consumes the benefits as and when services are rendered by the Group. Invoices are usually issued upon completion of the job or as agreed in the specific contract.	Revenue is recognised over time as the services are provided. The stage of completion for determining the amount of revenue is assessed based on the input method. The related costs are recognised in consolidated statement of income when they are incurred.
Revenue from sale of goods	Revenue is recognized at a point in time when control of the asset is transferred to the customer, generally on delivery of the goods. Invoices are generated, and revenue is recognised at that point in time. Some contracts permit the customer to return an item. Return goods are exchanged only for new goods, i.e., no cash refunds are offered.	Revenue from sale of goods (i.e., retail sales) is recognized at the point in time when control of the asset is transferred to the customer, generally on delivery of the goods. Revenue is recognized when the goods are delivered and have been accepted by the customers. Revenue is measured at the fair value of the consideration received.

3 SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

d) Expense recognition

An expense is recognized immediately in profit or loss when an expenditure produces no future economic benefits, or when, and to the extent that, future economic benefits do not qualify or cease to qualify for recognition in the statement of financial position as an asset, such as in the case of asset impairments.

e) Earnings per share

Earnings per share (EPS) is calculated by dividing the income attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the year.

f) Finance costs

Finance costs comprise interest on borrowings. Borrowing costs are generally expensed in profit or loss using the effective interest method.

g) Property and equipment

Recognition and measurement

Items of property and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses.

If significant parts of an item of property and equipment have different useful lives, then they are accounted for as separate items (major components) of property and equipment.

Any gain or loss on disposal of an item of property and equipment is recognised in profit or loss.

Subsequent expenditure

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Group.

Depreciation

Depreciation is calculated to write off the cost of items of property and equipment less their estimated residual values using the straight-line method over their estimated useful lives and is generally recognised in profit or loss.

Estimated useful lives of property and equipment are as follows:

Furniture and fixtures	5 Years
Motor vehicles	5 Years
Office equipment	5 Years
Leasehold improvements	3-5 Years

Depreciation method, residual value and useful lives of the equipment are reviewed at each reporting date and adjusted if appropriate.

3 SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

h) Inventories

Inventories are valued at the lower of cost or net realisable value after writing down of any slow-moving items. The cost of inventories is computed on a weighted average cost basis. Cost includes expenses incurred to bring the inventories to their present location and condition.

Goods in transit are recognized as part of inventory when the risks and rewards of ownership have transferred to the company. Costs associated with goods in transit, including freight, insurance, and duties, are included in the inventory cost.

Net realisable value is the estimated selling price in the ordinary course of the business less the estimated cost necessary to make the sale. Write down for slow moving inventories is determined by the management on the basis of ageing and after considering the expiry dates of the items.

i) Foreign currencies

Transactions in foreign currencies are translated into Qatari Riyal at the exchange rate prevailing at the date of the transaction. Monetary assets and monetary liabilities denominated in foreign currencies at the reporting date are translated at the exchange rate prevailing at that date. Foreign currency differences are generally recognised in profit or loss. Non-monetary items that are measured based on historical cost in a foreign currency are not retranslated.

J) Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, current and call account balance with bank which has a maturity of less than three months.

k) Employees’ end of service benefits

Defined benefit plan

The Group provides end of service benefits to its employees. The entitlement to these benefits is usually based upon the employees' length of service and the completion of a minimum service period. It is calculated in accordance with Qatari Labour Law and paid upon resignation or termination.

The expected costs of these are accrued over the period of employment. Management has estimated that the expected post-employment benefit obligation as at 31 December 2024 based on the requirements of IAS 19 “Employee Benefits is not significantly different from the amount charged by the Group. The provision is reassessed by management at the end of each year, and any change in the provision for the employees’ end of service benefits is recognized in profit or loss

l) Financial instruments

i) Recognition and initial measurement

Trade receivables are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Group becomes a party to the contractual provisions of the instrument. A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

3 SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

l) Financial instruments (continued)

ii)Classification and subsequent measurement

Financial assets

On initial recognition, financial assets are classified as measured at: amortised cost as they are held with the objective to collect contractual flows that meets SPPI test. 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.

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

Financial assets – Assessment whether contractual cash flows are solely payments of principal and interest:

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

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

3. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

l) Financial instruments (continued)

ii)Classification and subsequent measurement (continued)

Financial assets (continued)

Financial assets at amortised cost	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 liabilities – Classification, subsequent measurement and gains and losses

Financial liabilities are classified as measured at amortised cost. Financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

iii) Derecognition

Financial assets

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

Financial liabilities

The Group derecognises a financial liability when its contractual obligations are discharged or cancelled or expire. The Group also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in profit or loss.

iv) 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 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.

3. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

m) Impairment

Non-derivative financial assets

Financial instruments and contract assets

The Group recognises loss allowances for ECLs on:

- financial assets measured at amortised cost;
- contract assets.

The Group measures loss allowances at an amount equal to lifetime ECLs, except for the following, which are measured at 12-month ECLs:

- other debt securities and bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

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

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

The Group assumes that the credit risk on a financial asset has increased significantly if it is more than 365 days past due. The Group considers a financial asset to be in default when the borrower 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).

Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument.

12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

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

Measurement of ECLs

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

ECLs are discounted at the effective interest rate of the financial asset.

3. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

m) Impairment (continued)

Non-derivative financial assets (continued)

Credit-impaired financial assets

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

Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the Counterparty.
- a breach of contract such as a default or being more than 365 days past due;

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.

Non-financial assets

At each reporting date, the Group reviews the carrying amounts of its non-financial assets (other than inventories) 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 CGUs. The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU. An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its recoverable amount. Impairment losses are recognised in profit or loss. They are allocated to reduce the carrying amounts of the assets in the CGU on a pro rata basis An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

3. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

n) Income tax

Taxes are calculated based on tax laws and regulations in jurisdictions in which the Group operates. The amount of the tax payable or receivable is the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes. Deferred tax assets are recognised for deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent it is probable that taxable profit will be available to utilise these. Deferred tax liabilities are recognised for taxable temporary differences. Deferred tax assets and liabilities are measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date, and reflects uncertainty related to income taxes, if any.

o) 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.

As a lessee

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

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

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Group by the end of the lease term or the cost of the right-of-use asset reflects that the Group will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

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

3. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

o) Leases (continued)

As a lessee (continued)

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

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

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

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

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero. Right-of-use assets that meet the definition of investment property are presented within investment property.

Short-term leases and leases of low-value assets

The Group has elected not to recognise right-of-use assets and lease liabilities for leases of low-value assets and short-term leases, including IT equipment. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

p) Intangible asset

Enterprise Resource Planning Software expenditure is capitalised only if the expenditure can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable, and the Group intends to and has sufficient resources to complete development and to use or sell the asset. Otherwise, it is recognised in profit or loss as incurred. Subsequent to initial recognition, Software expenditure is measured at cost less accumulated amortisation and any accumulated impairment losses.

4. FINANCIAL RISK AND CAPITAL MANAGEMENT

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

- Credit risk
- Liquidity risk
- Market risk

a) Financial risk management

i. Risk management framework

The Group's management has overall responsibility for the establishment and oversight of the Group's risk management framework and has the responsibility for developing and monitoring the Group's risk management policies.

ii. Credit risk

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

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

The maximum exposure to credit risk at the reporting date was:

	Note	**2024**	2023
Trade receivables	9	92,087,224	94,149,557
Due from related parties	18(a)	1,707,085	358,328
Bank balances	10	67,924,540	64,375,877
Retention receivables	9	13,704,336	11,214,322
Contract asset	9	25,653,901	17,488,891
Accrued revenue	9	22,549,326	60,535,393
Notes receivable	9	5,236,025	12,642,929
		228,862,437	260,765,297

Trade receivables

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

4. FINANCIAL RISK AND CAPITAL MANAGEMENT (CONTINUED)

ii. Credit risk (continued)

Trade receivables (Continued)
As at 31 December, the aging of trade receivables that were not impaired and the following table provides information about the exposure to credit risk and ECLs for trade receivables from customers as at 31 December 2024.

31 December 2024	**Weighted average loss rate**	**Gross carrying amount**	**Loss allowance**	**Credit impaired**
Trade Receivables:				
Neither past due	0%	51,334,404	-	No
30 – 60 days past due	11.48%	16,113,767	1,849,057	No
61 – 90 days past due	32.57%	306,856	99,943	No
From 91days and more than 365 days past due	60 %	24,332,197	14,599,317	No
Total		**92,087,224**	**16,548,317**	

31 December 2023	Weighted average loss rate	Gross carrying amount	Loss allowance	Credit impaired
Trade Receivables:				
Neither past due	0%	63,945,817	-	No
30 – 60 days past due	9.09%	8,989,997	817,485	No
61 – 90 days past due	26.06%	1,534,756	399,925	No
From 91days and more than 365 days past due	31.17%	13,306,190	4,146,968	No
Specific	100%	6,372,797	6,372,797	Yes
Total		94,149,557	11,737,175	

Loss rates are based on actual credit loss experience over the past three years. These rates are multiplied by scalar factors to reflect differences between economic conditions during the period over which the historical data has been collected, current conditions and the Group’s view of economic conditions over the expected lives of the receivables.

Forward looking factors are based on the actual and forecast macro-economic factors (primarily GDP) and is continued to be positive.

4. FINANCIAL RISK AND CAPITAL MANAGEMENT (CONTINUED)

iii. Credit risk (continued)

Due from related parties

Management believes that, apart from in relation to those balances specifically provided for, there is limited credit risk from the receivable from related parties, because these counterparties are under the control and significant influence of the parent company, who is financially healthy.

Retention receivables

Retention receivables represent amounts contractually withheld by customers until project completion. These receivables are measured at amortized cost and assessed for impairment. Where the retention period exceeds 12 months, the receivable is discounted to reflect the time value of money, unless the effect is immaterial.

Bank balance

The Group held cash and cash equivalents of QR 67,924,540 at 31 December 2024 (2023: QR 64,375,877). The cash and cash equivalents are held with bank and financial institution counterparties, which are rated AA3 to A3, based on accreditation rating agency.

Impairment on cash and cash equivalents has been measured on a 12-month expected loss basis and reflects the short maturities of the exposures. The Group considers that its cash and cash equivalents have low credit risk based on the external credit ratings of the counterparties.

iii. Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. Management ensures, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation. The Group maintains adequate reserves by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

The following are the contractual maturities of financial liabilities at the reporting date. The amount are gross and undiscounted and include estimated interest payments and exclude the impact of netting agreement, if any:

31 December 2024	**Carrying Amounts**	**Contractual cash flows**	**Less than 1 year**	**Above 1 year**
Non-derivative financial liabilities				
Borrowings	687,905	(687,905)	(453,834)	(234,071)
Trade and other payables	76,062,241	(76,062,241)	(76,062,241)	-
Lease liabilities	5,959,432	(8,532,884)	(4,179,372)	(4,353,512)
	82,709,578	**(85,283,030)**	**(80,695,447)**	**(4,587,583)**

4. FINANCIAL RISK AND CAPITAL MANAGEMENT (CONTINUED)

iii. Liquidity risk (continued)

31 December 2023	Carrying Amounts	Contractual cash flows	Less than 1 year	Above 1 year
Non-derivative financial liabilities				
Borrowings	11,938,645	(13,135,710)	(7,785,518)	(5,350,191)
Trade and other payables	88,251,711	(88,251,711)	(88,251,711)	-
Lease liabilities	2,196,060	(2,263,827)	(2,089,686)	(174,140)
Due to related parties	157,971	(157,971)	(157,971)	-
	102,544,387	(103,809,219)	(98,284,886)	(5,524,331)

iv. 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 instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

Currency risk

Foreign exchange risk arises when future commercial transactions or recognised assets or liabilities are denominated in a currency that is not the Group's functional currency. As the US Dollar is pegged with the Qatari Riyal, the Group is not exposed to currency risk when it transacts in this currency. Management monitors the exchange rate fluctuations on a continuous basis and acts accordingly.

The Group 's exposure to foreign currency risk is mainly in EURO and GBP. The table below indicates the Group 's foreign currency exposure at 31 December, as a result of its monetary liabilities. The analysis calculates the effect of a reasonably possible increases of the QAR currency rate against the EURO and GBP with all other variables held constant, on the statement of comprehensive income (due to the fair value of currency sensitive monetary liabilities).

	Increase in currency rates against QAR	Effect on Profit QAR
2024 Balances in Euro and GBP	**+10%**	**(17,031)**
2023 Balances in Euro and GBP	+10%	(30,219)

4. FINANCIAL RISK AND CAPITAL MANAGEMENT (CONTINUED)

Interest rate risk

The Group has interest rate risk arising from interest bearing assets in the nature of bank deposits. Management monitors the interest rate fluctuations on a continuous basis and acts accordingly. The Group's financial liability that is subject to interest rate risk is as follows:

	2024	2023
Floating interest rate instruments		
Financial Liabilities	**687,905**	11,938,645

The following table demonstrates the sensitivity of the separate statement of comprehensive income to reasonably possible changes in interest rates by 25 basis points, with all other variables held constant. The sensitivity of the statement of comprehensive income is the effect of the assumed changes in interest rates for one year, based on the floating rate financial assets and financial liabilities held at 31 December 2024. The effect of decreases in interest rates is expected to be equal and opposite to the effect of the increases shown.

	Changes in Basis Points	Effect on Profits /Equity
2024	**+25**	**17,198**
2023	+25	298,466

b) Capital management

The management policy is to maintain a strong capital base so as to maintain the shareholders, creditors and market confidence and to sustain future development of the business. The management monitors the return on capital, which the Group defines as profit for the year divided by total equity. There were no changes in the Group's approach to capital management during the year. The Group is not subject to any externally imposed capital requirements.

The Group manages its capital structure and makes adjustments to it in light of changes in business conditions. No changes were made in the objectives, policies or processes as of and during the years ended 31 December 2024 and 31 December 2023. Capital comprises share capital, retained earnings and legal reserve, and is measured at QR 122,517,423 (2023: QR 113,528,400).

5. PROPERTY AND EQUIPMENT

	Furniture and fixtures	Motor vehicle*	Office Equipment	Leasehold Improvements	Total
Cost					
Balance at 1 January 2023	5,079,852	2,364,650	6,384,812	4,626,667	18,455,981
Additions	38,183	947,059	144,914	-	1,130,156
Additions from acquiring subsidiary company	-	350,000	40,490	-	390,490
Disposals	-	(464,845)	-	-	(464,845)
Balance at 31 December 2023	5,118,035	3,196,864	6,570,216	4,626,667	19,511,782
Balance at 1 January 2024	5,118,035	3,196,864	6,570,216	4,626,667	19,511,782
Additions	56,268	115,900	175,934	46,166	394,268
Balance at 31 December 2024	**5,174,303**	**3,312,764**	**6,746,150**	**4,672,833**	**19,906,050**
Accumulated depreciation					
Balance as at 1 January 2023	5,018,662	927,442	5,662,926	4,318,947	15,927,977
Depreciation	23,776	502,336	238,168	88,431	852,711
Depreciation from acquiring subsidiary company	-	350,000	12,590	-	362,590
Disposals	-	(385,240)	-	-	(385,240)
Balance at 31 December 2023	5,042,438	1,394,538	5,913,684	4,407,378	16,758,038
Balance as at 1 January 2024	5,042,438	1,394,538	5,913,684	4,407,378	16,758,038
Depreciation	28,610	610,333	228,373	91,040	958,356
Balance at 31 December 2024	**5,071,048**	**2,004,871**	**6,142,057**	**4,498,418**	**17,716,394**
Carrying amounts					
At 31 December 2024	**103,255**	**1,307,893**	**604,093**	**174,415**	**2,189,656**
At 31 December 2023	75,597	1,802,326	656,532	219,289	2,753,744

* The balance of motor vehicles, totalling QAR 687,905 (2023: QAR 1,589,584) is mortgaged with a local bank.

6. Right-Of-Use Assets

The following amounts are included in the right-of-use assets in the statement of financial position and general and administrative expenses in the statement of comprehensive income:

	2024	2023
Cost		
As at 1 January	5,435,713	2,717,857
Additions / Acquisition of subsidiary	5,785,292	2,717,856
At 31 December	**11,221,005**	5,435,713
Accumulated depreciation		
At 1 January	3,357,352	719,432
Depreciation from Acquisition of subsidiary	-	719,433
Depreciation	1,918,486	1,918,487
At 31 December	**5,275,838**	3,357,352
Carrying amounts	**5,945,167**	2,078,361

7. INTANGIBLE ASSETS

Intangible assets as at 31 December 2024, represents an enterprise resource planning Software that is currently under customisation amounting to QR 1,652,998 (2023: QR 1,315,218).

8. INVENTORIES

	2024	2023
Finished goods	14,523,603	24,216,058
Good in transit	66,263	2,307,088
Less: Provision for slow moving inventories	(4,338,247)	(4,247,535)
	10,251,619	22,275,611

The Movement in the provision for slow moving inventories is as follows:

	2024	2023
At 1 January	4,247,535	1,771,052
Acquisition of a subsidiary company (*)	-	3,017,945
Provision during the year	200,000	1,593,265
Write off during the year	(109,288)	(2,134,727)
At 31 December	**4,338,247**	4,247,535

(*) Techno Q Security Systems W.L. L was acquired under attested purchase contract dated May 14, 2023.The parent company's control over the subsidiary began on January 1, 2023.

9. TRADE AND OTHER RECEIVABLES

	2024	2023
Trade receivables *	97,323,249	106,792,486
Retention receivables	1,369,302	4,917,280
Accrued revenue	22,549,326	60,535,393
Contract assets (1)	25,653,901	17,488,891
Advances to suppliers	23,142,779	23,927,604
Prepayments	128,545	345,555
Other receivables	804,824	1,610,471
Less: Allowance for expected credit losses	(16,548,318)	(11,737,175)
	154,423,608	203,880,505

* Trade receivables included notes receivables QR 5,236,025 (2023: QAR12,642,929).

At 31 December 2024, accounts receivable amounting to QR 16,548,318 (2023: QR 11,737,175) were impaired.

The movement in the allowance for expected credit losses of trade accounts receivable is as follows:

	2024	2023
At 1 January	11,737,175	9,487,061
Acquisition of a subsidiary	-	3,101,867
Provided during the year	5,858,940	-
Write off	(1,047,797)	(851,753)
At 31 December	**16,548,318**	11,737,175

Retention receivables presented in the consolidated statement of financial position as follows:

	2024	2023
Current Portion	1,369,302	4,917,280
Non-Current Portion	12,335,034	6,297,042
	13,704,336	11,214,322

(1) As at 31 December 2024, contract assets amounted to QR 25,653,901 (2023: QR 17,488,891). The movement is as follows:

	2024	2023
Value of the work done at cost plus attributable profits	216,563,578	313,375,253
Less : Progress Billings	(190,909,677)	(295,886,362)
At 31 December	**25,653,901**	17,488,891

10 CASH AND CASH EQUIVALENTS

Cash and cash equivalents included in the consolidated statement of cash flows compromise the following balances:

	2024	2023
Cash on hand	28,792	28,792
Current accounts	22,924,540	45,615,877
Islamic deposits*	45,000,000	18,760,000
	67,953,332	64,404,669

* These Islamic deposits are held with local banks with original maturity ranging less than three months.

11 SHARE CAPITAL

	2024	2023
Authorized and fully Paid-up Capital (84,500,000 shares@ QR 1 each)	**84,500,000**	84,500,000

All shares are of same class and carry equal voting rights.

12 DIVIDENDS

The Board of Directors has proposed a cash dividend QR 12,000,000 for the year ended 31 December 2024 (2023: cash dividend QR 11,825,912 was approved and paid). The proposed dividends are subject to the approval of the General Assembly Meeting.

13 LEGAL RESERVES

In accordance with Qatar Commercial Companies Law No.11 of 2015 and the Company's Articles of Association, 10% of the net profit for each year and premium on share issuance by the Company is to be transferred to legal reserve until the reserve equals 50% of the paid-up share capital and is not available for distribution except in circumstances specified in the above Law.

14 BORROWINGS

	2024	2023
Short term loans	453,834	7,383,790
Long term loans	234,071	4,554,855
	687,905	11,938,645

- Loans are denominated in Qatari Riyals.
- Short term loans include short term facilities obtained from local banks for the purpose of financing import purchases. These loans are repayable in 180 days to 362 days and carry interests at commercial rates. These loans have been secured against previous founding shareholders personal guarantees.

14 BORROWINGS (CONTUNUED)

The movement for loans were as follows:

	2024	2023
At 1 January	11,938,645	26,692,047
Additional loans obtained	-	44,677,713
Paid during the year	(11,250,740)	(59,431,115)
	687,905	11,938,645

15 LEASE LIABILITIES

	2024	2023
Finance Lease obligation	-	2,154
Lease liability pertaining to right-of-use asset	5,959,432	2,193,906
Total Lease Liabilities	**5,959,432**	2,196,060

Set out below movement of the lease liability pertaining to right-of-use assets:

	2024	2023
At 1 January	2,193,906	2,045,049
Addition / Acquisition of subsidiary company	5,785,292	2,045,049
Interest on lease liabilities	69,920	193,494
Payments during the year	(2,089,686)	(2,089,686)
At 31 December	**5,959,432**	2,193,906

Presented in the consolidated statement of financial position as follows:

	2024	2023
Current Portion	1,840,158	2,021,920
Non-Current Portion	4,119,274	174,140
	5,959,432	2,196,060

The following are the amounts recognised in the consolidated statement of comprehensive income.

	2024	2023
Depreciation on right-of-use assets (note 6)	1,918,486	1,918,487
Lease interest	69,920	193,494
	1,988,406	2,111,981

16 PROVISION FOR EMPLOYEES' END OF SERVICE BENEFITS

Movement in the provision recognised in the consolidated statement of financial position is as follows:

	2024	2023
At 1 January	6,508,774	4,272,444
Acquisition of subsidiary company	-	2,072,741
Provided during the year	1,215,764	988,787
Payments made during the year	(990,320)	(825,198)
At 31 December	**6,734,218**	6,508,774

17 TRADE AND OTHER PAYABLES

	2024	2023
Trade payables	21,006,089	38,405,995
Advances from customers	25,630,267	49,488,010
Contract liabilities *	34,421,605	30,448,197
Retention payable	2,859,681	1,622,653
Accruals and other payables	18,333,165	31,293,907
Contribution to social and sports fund (Note 19)	533,848	-
Other provisions	17,774,866	17,774,866
	120,559,521	169,033,628

* As at 31 December 2024, contract liabilities movement is as follows:

	2024	2023
Progress billings	412,880,357	333,131,898
Less: Contract costs incurred to date	(378,458,752)	(302,683,701)
At 31 December	**34,421,605**	30,448,197

18 RELATED PARTY TRANSACTIONS

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial and operating decisions. The Group enters into transactions with companies and entities that fall within the definition of a related party as contained in International Accounting Standard (IAS) No. 24 Related Party Disclosures. Related parties comprise companies under common ownership and/or common management and control, key management personnel, entities in which the shareholders have controlling interest affiliates, and other related parties.

Transactions with related parties

Name	Nature of transactions	2024	2023
Other related party	**Payment**	**3,371,225**	3,485,513
Shareholder	**Payment and distributions**	**10,938,509**	17,002,682
	Acquisition of a subsidiary	**-**	32,919,922

(a) Due from related parties

Name of Party	2024	2023
Choices Trading - Other related party	**1,707,085**	358,328

(b) Due to related parties

Name of Party	2024	2023
Al Jaidah brothers – Shareholder	**-**	157,971

(c) Compensation of key management personnel

The remuneration of directors and other members of key management during the year was as follows:

	2024	2023
Long -term benefits	-	-
Short-term benefits	9,528,859	2,763,000
	9,528,859	2,763,000

19 Contribution To Social And Sports Fund

In accordance with Law No. 13 of 2008, as amended by Law No. 8 of 2011 and related clarifications issued in January 2010, the Group is required to contribute 2.5% of its annual net consolidated profit to the Social and Sports Fund (S.S.F).

During the year, the Group appropriated an amount of QR 533,848 (2023: QR Nil) to the S.S.F representing 2.5% of the consolidated profit for the year attributable to equity holders of the parent.

20 COMMITMENTS

Future minimum lease payments:

The future expenditure commitments in respect of operating lease rentals are as follows:

	2024	2023
Payable within one year	**749,006**	335,000

21 REVENUE

Set out below is the disaggregation of the Group's revenue from contracts with customers:

	2024	2023
Type of goods or services:		
Project revenue	198,853,145	253,526,472
Showroom and retail sales	12,362,524	15,825,651
	211,215,669	269,352,123

	2024	2023
Timing of revenue recognition:		
Goods and services transferred over time	198,853,145	253,526,472
Goods transferred at a point in time	12,362,524	15,825,651
	211,215,669	269,352,123

	2024	2023
Geography revenue:		
Qatar	208,609,056	269,352,123
Oman	-	-
Saudia Arabia	2,606,613	-
	211,215,669	269,352,123

22 COST OF SALES

	2024	2023
Materials	80,748,376	136,328,813
Subcontract cost and provisions	29,527,256	41,731,793
Staff cost	23,528,731	22,686,176
Other direct cost	4,741,544	1,964,743
	138,545,907	202,711,525

23 OTHER INCOME

	2024	2023
Profit on sale of property and equipment	-	6,875
Profit from Islamic deposit	1,670,071	200,389
Miscellaneous income	2,137,369	510,036
	3,807,440	717,300

24 GENERAL AND ADMINISTRATIVE EXPENSES

	2024	2023
Salaries and related costs	23,097,289	22,335,550
Management remuneration	9,528,859	3,898,120
Board remuneration	150,000	-
Depreciation of property and equipment (Note 5)	958,356	852,711
Depreciation of right-of-use assets (Note 6)	1,918,486	1,918,486
Legal and professional fees	1,333,967	1,325,761
Rent	1,440,347	1,589,595
Electricity and fuel	574,640	618,432
Travelling expenses	195,680	161,364
Repairs and maintenance	487,787	373,518
Immigration expenses	1,032,990	864,632
Communication costs	749,848	725,784
Training costs	541,938	364,009
Printing and stationery	504,163	499,139
Insurance	177,382	387,386
Provision for slow moving inventories (Note 8)	200,000	1,593,265
Bank Charges	108,262	739,079
Miscellaneous expenses	1,480,810	1,052,640
	44,480,804	39,299,471

25 SELLING AND DISTRIBUTING EXPENSES

	2024	2023
Sales commission	1,325,889	4,565,037
Advertising costs	810,944	253,131
Sales promotion expenses	534,041	374,973
	2,670,874	5,193,141

26 FINANCE COST

	2024	2023
Forex gain / (loss)	24,195	(103,229)
Interest expenses	221,304	1,928,061
	245,499	1,824,832

27. INCOME TAX

Amounts recognized in the consolidated comprehensive income:

	2024	2023
Current tax expense		
Corporate income tax	11,413	-
Deferred tax expense (income)		
Origination and reversal of temporary differences	-	-
Recognition of previously unrecognized tax losses	-	-
	-	-
Total income tax expense	**11,413**	-

28. BASIC AND DILUTED EARNINGS PER SHARE

The earnings per share amounts are calculated by dividing the profit for the period attributable to Owners of the Company by weighted average number of ordinary shares outstanding during the period.

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

	2024	2023(Restated*)
Profit for the year attributable to Owners of the Company	21,353,938	19,729,372
Weighted average number of shares outstanding during the year	84,500,000	50,847,927
Basic and diluted earnings per share	**0.25**	0.39

*The share capital for the year ended 31 December 2023 was 50,847,927 shares, consisting of 5,000,000 ordinary shares and 45,847,927 bonus shares issued.

29. SEGMENT REPORTING

BUSINESS SEGMENTS

The Company has three significant business which is engaged in the design, supply and installation of audio-visual displays, security, hospitality, IT infrastructure, lighting services, fire security system and control systems.

Year Ended 31 December 2024:

Description	**AV-ELV**	**Business solutions**	**Others**	**Total**
Revenue	143,465,911	23,990,206	47,566,992	215,023,109
Cost and expenses	(131,183,408)	(18,067,544)	(44,406,806)	(193,657,758)
Net profit	**12,282,503**	**5,922,662**	**3,160,186**	**21,365,351**

Year Ended 31 December 2023:

Description	**AV-ELV**	**Business solutions**	**Others**	**Total**
Revenue	180,207,242	25,486,897	64,375,284	270,069,423
Cost and expenses	(172,627,389)	(19,311,857)	(58,400,805)	(250,340,051)
Net profit	7,579,853	6,175,040	5,974,479	19,729,372

29. SEGMENT REPORTING (CONTINUED)

GEOGRAPICAL SEGMENTS

The Company operates in the State of Qatar, the Saudi Arabia, and Oman. The Company's operations in the Saudi Arabia and Oman are not significant.

30. CONTINGENCIES

At 31 December 2024, the Group had contingent liabilities amounting to QR 86,657,532 (2023: QR 103,915,123) in respect of bank guarantees and letters of credit arising in the ordinary course of business.

31. FAIR VALUE MEASUREMENT

The Company's financial assets (trade receivables, retention receivables, due from related parties and cash at bank) and financial liabilities (lease liabilities, due to related parties, financing credit facilities, and trade and other payables) are measured at amortised cost, Management believes that the carrying values of these financial assets and financial liabilities as at the reporting date are a reasonable approximation of their fair values.

32. COMPARATIVE FIGURES

Certain reclassifications have been made to the prior year consolidated financial statement to enhance comparability with the current year's financial statement. As a result, certain line items have been amended in the consolidated statement of comprehensive income and the related notes. Such reclassifications do not affect the previously reported profit, gross assets, or equity.

Below table shows the reclassifications made during the year:

	Balance before reclassification	**Reclassification**	**Balance after reclassification**
Assets:			
Non-Current:			
Trade and other receivables	-	6,297,042	6,297,042
Current:			
Trade and other receivables	210,177,547	(6,297,042)	203,880,505
	210,177,547	**-**	**210,177,547**
Profit or loss:			
Cost of sales	(201,569,997)	(1,141,528)	(202,711,525)
General and administrative expenses	(38,560,393)	(739,078)	(39,299,471)
Finance cost	(3,705,438)	1,880,606	(1,824,832)
	(243,835,828)	**-**	**(243,835,828)**