QatarEnergy

Consolidated Financial Statements

31 December 2023

INDEX

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Independent auditors' report on the consolidated financial statements of QatarEnergy

To the Supreme Council for Economic Affairs and Investment, State of Qatar

Opinion

We have audited the consolidated financial statements of QatarEnergy (the "Corporation") and its subsidiaries (together the 'Group'), which comprise the consolidated statement of financial position as at 31 December 2023, the consolidated statements of profit or loss, 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 2023, 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 *Auditors' 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 Group'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.

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.

Independent auditors' report on the consolidated financial statements of QatarEnergy (continued)

Key Audit Matters (continued)

1. Recognition of Revenue

See Note 3.21, 4.1(vi) and 26 to the consolidated financial statements.

The key audit matter	How the matter was addressed in our audit
The Group recognised revenue of QR 159,366 million during the year. As disclosed in Note 8(b), the Group's share of profits from its joint ventures amounting to QR 53,180 million represents 50% of the Group's profit for the year while the total revenue for the year generated by these joint ventures amounted to QR 275,607 million. Revenue being a key economic indicator of the Group is significant to the consolidated financial statements and considering significant time and resources required to audit the revenue accounts and inherent risk of material misstatement, we considered this as a key audit matter.	Our audit procedures in this area included, among others: – assessing the design, implementation and operating effectiveness of the relevant internal controls over revenue recognition; – evaluating the appropriateness of the selection of accounting policies based on the requirements of IFRS 15, our understanding of the business and related industry practice; – inspecting the agreements with customers to evaluate that revenue is recognised in accordance with the terms of the agreement and the requirements of IFRS 15; – performing test of details on a sample of revenue transactions by inspecting respective invoices, delivery statements and customers' acknowledgements and other corroborating evidence; – comparing on a sample basis, the revenue transactions recorded before and after the reporting period with underlying supporting documents to assess if related revenue is recorded in the correct accounting period; – testing journal entries relating to revenue recognised during the year based on identified risk criteria; and – evaluating the adequacy of the financial statement disclosures, including disclosure of key assumptions and judgements.

Independent auditors' report on the consolidated financial statements of QatarEnergy (continued)

Key Audit Matters (continued)

2. Accounting for Production Sharing agreements ("PSA")	
See Note 3.21, 4.1(vii) and 8(a) to the consolidated financial statements.	
The key audit matter	**How the matter was addressed in our audit**
QatarEnergy, on behalf of the Government of State of Qatar, has entered into certain Development and Production Sharing Agreements (PSAs) with Foreign Partners, to facilitate the exploration and production of petroleum resources of the State of Qatar. Under the terms of the relevant PSAs, the Group has various rights and obligations in relation to those activities. Due to the complex structuring of these arrangements, the management exercises significant judgement in assessing the relevant factors to determine the accounting of these arrangements in the books of accounts. This also includes the assessment whether the Group acts as principal or agent with respect to those activities under the relevant PSAs. In making those assessments, the Group takes into account the relevant terms of the PSAs, the established past practices and the relevant laws issued to grant exclusive rights to the Corporation. We considered this matter as a key audit matter due to the significance of amounts involved, judgments required in determining the Group's role in the PSAs (i.e., principal or agent) and resulting accounting treatment.	Our audit procedures in this area included, among others: – obtaining an understanding and assessing the structure and terms of the PSAs in place with Foreign Partners in order to evaluate the conclusions reached by management and the judgements applied in reaching such conclusions; – reviewing the assessment prepared by management in relation to the accounting treatment for these PSAs and corroborating our understanding of such accounting treatment under IFRS Accounting Standards; – assessing the appropriate application of the principal versus agent accounting treatment for activities carried out under the PSAs as mandated by the underlying agreement, the established past practices and the relevant laws issued; – assessing the appropriateness of accounting policies applied in preparation of the consolidated financial statements and evaluating the compliance of policies with principles of IFRS Accounting Standards; and – evaluating the adequacy of the financial statement disclosures, including disclosure of key assumptions and judgements.

Independent auditors' report on the consolidated financial statements of QatarEnergy (continued)

Other Information

Management is responsible for the other information. The other information comprises the annual report but does not include the consolidated financial statements and our auditors' report thereon. The annual report is expected to be made available to us after the date of this auditors' report.

Our opinion on the consolidated financial statements does not cover the other information and we 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 when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

Responsibilities of Management for the Consolidated Financial Statements

Management 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 management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

The Board Audit Committee is responsible for overseeing the Corporation's financial reporting process.

Auditors' 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 auditors' 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.

Independent auditors' report on the consolidated financial statements of QatarEnergy (continued)

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

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

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

We communicate with the Board Audit Committee 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 Audit Committee 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.

Independent auditors' report on the consolidated financial statements of QatarEnergy (continued)

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

From the matters communicated with the Board Audit Committee, 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.

02 June 2024
Doha
State of Qatar

Gopal Balasubramaniam
KPMG
Qatar Auditors' Registry Number 251

QatarEnergy

Consolidated statement of financial position
As at 31 December 2023 QR '000

	Note	2023	2022
ASSETS			
Non-current assets			
Property, plant and equipment	5(a)	**217,569,548**	212,707,577
Right-of-use assets	5(b)	**5,746,358**	5,332,085
Investment property	5(c)	**859,665**	894,976
Intangible assets	6	**9,218,175**	8,885,361
Investments in associates	7	**6,320,318**	6,225,877
Investments in joint ventures	8(b)	**170,908,599**	143,811,802
Other investments	9	**7,540,034**	7,166,624
Other non-current assets	10	**9,567,013**	11,288,823
		427,729,710	396,313,125
Current assets			
Inventories	12	**8,004,876**	8,106,390
Amounts due from Government of Qatar	13	**18,369,183**	60,497,928
Accounts receivables and prepayments	14	**22,846,929**	30,832,493
Other investments	9	**878,461**	817,623
Cash and cash equivalents	15	**83,685,740**	94,195,986
Assets held for sale	11.1	**1,162,765**	-
		134,947,954	194,450,420
TOTAL ASSETS		**562,677,664**	590,763,545

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The accompanying notes 1 to 43 are an integral part of these consolidated financial statements.

Consolidated statement of financial position
As at 31 December 2023 QR '000

Continued from previous page

	Note	2023	2022
EQUITY AND LIABILITIES			
Equity			
Capital	17	**100,000,000**	100,000,000
General reserve	18	**175,500,000**	175,500,000
Other reserves	19	**(187,769)**	(456,392)
Retained earnings		**161,472,201**	190,497,509
Equity attributable to owner of the Corporation		**436,784,432**	465,541,117
Non-controlling interests	38	**38,108,492**	37,845,168
Total equity		**474,892,924**	503,386,285
Liabilities			
Non-current liabilities			
Loans and bonds	20	**49,481,156**	47,960,691
Employee benefits	21	**5,604,310**	5,545,520
Lease liabilities	22	**4,996,946**	4,950,348
Deferred income	23	**997,056**	1,061,200
Other non-current liabilities	24	**3,016,320**	3,586,385
		64,095,788	63,104,144
Current liabilities			
Loans and bonds	20	**837,624**	2,225,129
Accounts payables and accruals	25	**20,804,059**	21,156,571
Lease liabilities	22	**1,322,179**	839,835
Deferred income	23	**66,235**	51,581
Liabilities directly associated with the assets held for sale	11.1	**658,855**	-
		23,688,952	24,273,116
Total liabilities		**87,784,740**	87,377,260
TOTAL EQUITY AND LIABILITIES		**562,677,664**	590,763,545

These consolidated financial statements were approved by QatarEnergy's Board of Directors and signed on its behalf by the following:

H.H. Sheikh Abdullah bin Hamad Al-Thani
The Deputy Emir
Chairman

Saad Sherida Al-Kaabi
Minister of State for Energy Affairs
Vice Chairman and President & CEO

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QatarEnergy

Consolidated statement of profit or loss
For the year ended 31 December 2023 QR '000

	Note	2023	2022 *Re-presented **
Continuing operations			
Income			
Revenue	26	**159,365,855**	188,494,008
Other income	27	**8,077,239**	7,181,183
		167,443,094	195,675,191
Expenses			
Operating, selling and administrative expenses	28	**(82,191,489)**	(85,602,108)
Depreciation and amortization	29	**(13,672,938)**	(13,632,336)
(Provision for) / reversal of expected credit losses	30	**(593,721)**	1,003,205
		(96,458,148)	(98,231,239)
Net operating income		**70,984,946**	97,443,952
Share of profit of associates – net	7	**746,154**	1,020,244
Share of profit of joint ventures – net	8(b)	**53,180,067**	82,573,963
Dividend and interest income		**5,133,244**	2,300,366
Finance charges	31	**(2,082,957)**	(1,917,002)
Net monetary loss arising from hyperinflation		**(2,924)**	(11,412)
Profit before tax		**127,958,530**	181,410,111
Taxes	32	**(21,525,296)**	(26,905,328)
Profit for the year from continuing operations		**106,433,234**	154,504,783
Discontinued operations			
(Loss) / profit from discontinued operations	11.2	**(410,601)**	54,381
Profit for the year		**106,022,633**	154,559,164
Attributable to:			
Owner of the Corporation		**101,902,799**	148,031,921
Non-controlling interests	38	**4,119,834**	6,527,243
		106,022,633	154,559,164

* Comparative information has been re-presented due to discontinued operations. Refer Note 11.2.

H.H. Sheikh Abdullah bin Hamad Al-Thani
The Deputy Emir
Chairman

Saad Sherida Al-Kaabi
Minister of State for Energy Affairs
Vice Chairman and President & CEO

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Consolidated statement of profit or loss and other comprehensive income
For the year ended 31 December 2023 QR '000

	Note	2023	2022 *Re-presented**
Profit for the year		**106,022,633**	154,559,164
Other comprehensive income:			
Continuing operations			
Items that will not be reclassified to profit or loss			
Remeasurement of defined benefits obligations	19(i)	**(105,141)**	(1,256,209)
Equity investments at FVOCI – net change in fair value	19(ii)	**226,357**	212,811
Items that are or may be reclassified subsequently to profit or loss			
Cash flow hedges – effective portion of changes in fair value	19(iii)	**(3,007)**	746,870
Foreign operations – foreign currency translation differences	19(iv)	**357,897**	(333,684)
Other comprehensive income / (loss) from continuing operations		**476,106**	(630,212)
Discontinued operations			
Other comprehensive income from discontinued operations	11.2(b)(ii)	**49,790**	90,134
Total other comprehensive income for the year		**525,896**	(540,078)
Total comprehensive income for the year		**106,548,529**	154,019,086
Attributable to:			
Owner of the Corporation		**102,448,876**	147,606,572
Non-controlling interests		**4,099,653**	6,412,514
		106,548,529	154,019,086

* Comparative information has been re-presented due to discontinued operations. Refer Note 11.2.

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Consolidated statement of changes in equity
For the year ended 31 December 2023 QR '000

	Equity attributable to owner of the Corporation						
	Capital	**General reserve**	**Other reserves**	**Retained earnings**	**Total**	**Non-controlling interests**	**Total**
At 1 January 2022	100,000,000	175,500,000	(186,079)	124,750,361	400,064,282	35,849,595	435,913,877
Profit for the year	-	-	-	148,031,921	148,031,921	6,527,243	154,559,164
Other comprehensive income for the year	-	-	(425,349)	-	(425,349)	(114,729)	(540,078)
Total comprehensive income for the year	-	-	(425,349)	148,031,921	147,606,572	6,412,514	154,019,086
Reclassification of fair value reserve on sale of investments at FVOCI	-	-	(55,832)	55,832	-	(3,261)	(3,261)
Transfer to Social Fund (Note 33)	-	-	-	(154,186)	(154,186)	(157,749)	(311,935)
Dividend (Note 40)	-	-	-	(82,074,789)	(82,074,789)	-	(82,074,789)
Dividend to non-controlling interests	-	-	-	-	-	(4,314,792)	(4,314,792)
Transfer to other reserves	-	-	30,764	(30,764)	-	-	-
Effect of hyperinflation	-	-	-	7,646	7,646	68,818	76,464
Other movement during the year	-	-	180,104	(88,512)	91,592	(9,957)	81,635
At 31 December 2022 / 1 January 2023	100,000,000	175,500,000	(456,392)	190,497,509	465,541,117	37,845,168	503,386,285
Profit for the year	-	-	-	101,902,799	101,902,799	4,119,834	106,022,633
Other comprehensive income for the year	-	-	546,077	-	546,077	(20,181)	525,896
Total comprehensive income for the year	-	-	546,077	101,902,799	102,448,876	4,099,653	106,548,529
Reclassification of fair value reserve on sale of investments at FVOCI	-	-	9,144	(9,144)	-	-	-
Dilution of shareholding (Note 38)	-	-	-	(1,317,070)	(1,317,070)	1,317,070	-
Transfer to Social Fund (Note 33)	-	-	-	(80,656)	(80,656)	(96,677)	(177,333)
Dividend (Note 40)	-	-	-	(129,801,795)	(129,801,795)	-	(129,801,795)
Dividend to non-controlling interests	-	-	-	-	-	(4,912,216)	(4,912,216)
Transfer to other reserves	-	-	27,237	(27,237)	-	-	-
Effect of hyperinflation	-	-	4,429	2,221	6,650	59,855	66,505
Other movement during the year	-	-	(318,264)	305,574	(12,690)	(204,361)	(217,051)
At 31 December 2023	**100,000,000**	**175,500,000**	**(187,769)**	**161,472,201**	**436,784,432**	**38,108,492**	**474,892,924**

The accompanying notes 1 to 43 are an integral part of these consolidated financial statements.

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QatarEnergy

Consolidated statement of cash flows
For the year ended 31 December 2023 QR '000

	Note	2023	2022 *Re-presented **
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit for the year		**106,022,633**	154,559,164
Adjustments for:			
- Depreciation of property, plant and equipment	29	**11,847,542**	12,372,104
- Depreciation of right-of-use assets	29	**1,336,644**	837,900
- Depreciation of investment property	29	**16,587**	16,454
- Amortization of intangible assets and catalysts	29	**472,165**	405,878
- Loss on disposal / derecognition of property, plant and equipment		**55,653**	26,288
- Write-off of property, plant and equipment	28	**1,688,712**	784,755
- Write-off of right-of-use assets	28	**-**	27
- Write-off of intangible assets	28	**-**	14,014
- (Reversal of) / provision for inventory obsolescence	28	**(5,648)**	74,285
- Provision for earn-out liability	28	**276,714**	277,736
- Provision for / (reversal of) expected credit losses – net	30	**593,721**	(1,003,205)
- Provision for impairment losses – net	28	**509,993**	3,620
- Provision for employee benefits – net	21	**506,417**	433,072
- Reversal of provision for decommissioning costs – net	24(a)	**(487,985)**	(18,351)
- Loss / (profit) from discontinued operations	11.2	**410,601**	(54,381)
- Fair value gain on investment at fair value through profit or loss	9(b)	**(48,611)**	(11,133)
- Share of profit of associates – net	7	**(746,154)**	(1,020,244)
- Share of profit of joint ventures – net	8(b)	**(53,180,067)**	(82,573,963)
- Dividend and interest income		**(5,133,244)**	(2,300,366)
- Net unrealised gain on derivative financial instruments		**(103,649)**	(599,806)
- Deferred income		**(49,490)**	(34,320)
- Finance charges	31	**2,082,957**	1,917,002
- Taxes	32	**21,525,296**	26,905,328
- Net monetary gain arising from hyperinflation		**2,924**	11,412
- Loss on merger of joint ventures	28	**230,100**	-
- Gain on derecognition of right-of-use assets	5(b)	**-**	(1,611)
		87,823,811	111,021,659
Working capital changes:			
- Inventories		**101,055**	(1,692,248)
- Amounts due from Government of Qatar		**42,128,745**	(12,441,179)
- Accounts receivables and prepayments		**9,253,930**	1,326,234
- Accounts payables and accruals		**(869,592)**	(810,390)
Cash generated from operations		**138,437,949**	97,404,076
Employee benefits paid	21	**(519,983)**	(469,400)
Finance charges paid		**(1,902,353)**	(1,890,365)
Taxes paid		**(21,395,728)**	(28,574,061)
Social fund contribution paid		**(307,824)**	(292,109)
Net cash from operating activities		**114,312,061**	66,178,141

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Consolidated statement of cash flows
For the year ended 31 December 2023 QR '000

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	Note	2023	2022 *Re-presented **
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisition of property, plant and equipment		**(17,404,189)**	(18,456,916)
Proceeds from disposal of property, plant and equipment		**149,974**	25,127
Acquisition of investment property	5(c)	**-**	(148)
Acquisition of intangible assets	6	**(325,562)**	(19,108)
Repayments from associates – net	7	**65,520**	12,632
Additions to investments in joint ventures – net		**(20,668,532)**	(1,287,258)
Dividend received from associates and joint ventures		**52,061,877**	76,808,372
Net cash movement of financial assets at FVOCI		**(155,889)**	338,655
Net cash movement of financial assets at amortised cost		**(103,672)**	62,306
Dividend and interest received from other investments		**5,302,263**	1,713,341
Additions to projects under development – net	10(b)	**(6,012,515)**	(20,304,550)
Net cash movement in other non-current assets		**(983,414)**	(1,532,477)
Net cash movement of financial assets at fair value through profit or loss	9(b)	**(9,229)**	(52,459)
Movement in term deposits and restricted cash		**(5,273,464)**	2,798,856
Net cash (outflow) / inflow on acquisition of subsidiaries		**(234,932)**	1,748,762
Outflow in disposal of a subsidiary	11.2	**(127,414)**	-
Net cash from investing activities		**6,280,822**	41,855,135
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from loans and bonds		**225,500**	106,288
Repayment of loans		**(193,451)**	(2,477,423)
Payment of lease liabilities	22	**(1,237,870)**	(764,980)
Movement in other non-current liabilities		**(200,355)**	285,196
Dividend paid	40	**(129,801,795)**	(82,074,789)
Dividend paid to non-controlling interests		**(4,912,216)**	(4,314,792)
Payment of decommissioning liability	24(a)	**(22,669)**	(40,833)
Acquisition of non-controlling interest	38(2)	**(234,938)**	-
Net cash used in financing activities		**(136,377,794)**	(89,281,333)
Net (decrease) / increase in cash and cash equivalents		**(15,784,911)**	18,751,943
Effect of movements in exchange rates on cash held		**1,611**	4,142
Cash and cash equivalents at beginning of year		**83,371,506**	64,615,421
Cash and cash equivalents at end of year	15	**67,588,206**	83,371,506

During the year, the Group entered non-cash operating, investing and financing activities which are not reflected in the consolidated statement of cash flows (Note 41).

* Comparative information has been re-presented due to discontinued operations. Refer Note 11.2.

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1. Legal status and principal activities

QatarEnergy (the "Corporation" or the “Parent”) is a state-owned public corporation established in the State of Qatar by Emiri Decree Number 10 of 1974.

The principal activities of QatarEnergy, its subsidiaries, joint operations, joint ventures and associates are the exploration, production and sale of crude oil, natural gas and gas liquids and refined products, production and sale of petrochemicals, fuel additives, fertilisers, liquefied natural gas (“LNG”) including trading and marketing thereof, steel, aluminium, chartering of helicopters, identifying solar power opportunities to develop, design, finance, build, install, own, operate and maintain solar power facilities, investing in industrial and international projects, underwriting insurance, vehicle inspection services, marine bunkering, bitumen, transportation of oil and gas and refined petroleum products and other services. The principal place of business of QatarEnergy is in the State of Qatar.

Pursuant to Law No. 3 of 2007 on the Exploitation of Natural Resources, QatarEnergy holds the exclusive right to explore, develop and produce petroleum, natural gas and other hydrocarbons and for the investment and development of such materials.

Pursuant to Law No. 5 of 2012, which was issued on 7 August 2012, the State of Qatar amended certain provisions of Decree No. 10 of 1974 and transferred the ownership in QatarEnergy from the Ministry of Economy of Finance to the Supreme Council for Economic Affairs and Investment (‘SCEAI’) effective 1 January 2012.

Pursuant to Decree Law No. 18 of 2021 which was issued on 10 October 2021, the State of Qatar amended certain provisions of the Decree No. 10 of 1974 and changed the name of the Corporation from “Qatar Petroleum” to “QatarEnergy”.

On 12 July 2021, QatarEnergy issued USD Bonds which are listed on London and Taipei Stock Exchange. (Note 20 (b)).

These consolidated financial statements are prepared to meet the requirements of Article 21 of Emiri Decree No. 10 of 1974 (as amended by Law No. 5 of 2012 and Law No. 18 of 2021) (the ‘governing law’). These consolidated financial statements reflect the financial information of QatarEnergy and its subsidiaries, joint operations, joint ventures and associates (together referred to as the “Group”).

These consolidated financial statements were approved by the Board of Directors and authorised for issue on 25 April 2024.

2. Basis of preparation

2.1 Statement of compliance

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

These consolidated financial statements are presented in Qatari Riyal (QR) which is the Parent’s functional currency. All values are rounded off to the nearest thousand, unless otherwise indicated.

2.2 Basis of measurement

These consolidated financial statements are prepared using the historical cost basis except for:

i. Certain financial instruments that are measured at fair value.
ii. Parcels of land granted to QatarEnergy from the State of Qatar, which are measured at nominal value as Government Grant.
iii. Amounts relating to a hyperinflationary economy have been adjusted to reflect the effects of hyperinflation to express the financial statements in terms of the monetary unit current at the end of the reporting date as required by IAS 29.

2. Basis of preparation (continued)

2.2 Basis of measurement (continued)

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique.

For financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in their entirety, which are described as follows:

i. Level 1 quoted prices (unadjusted) in active markets for identical assets or liabilities;
ii. Level 2 inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and
iii. Level 3 inputs for assets or liabilities that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

2.3 Components of the Group

The Group includes the following subsidiaries, joint ventures, associates and joint operations at 31 December 2023:

Direct subsidiaries of QatarEnergy

Entity/Group	Shareholder	Country of incorporation	Principal activities	Equity holding 2023	Equity holding 2022
Industries Qatar Q.P.S.C. ("IQ")	QatarEnergy	Qatar	Holding company	51.00%	51.00%
QatarEnergy Marketing and Trading ("QEMT") (formerly known as Qatar Petroleum Qatar Gas (3) Company Limited)	QatarEnergy	Qatar	Holding company	100.00%	100.00%
QatarEnergy International (formerly known as Qatar Petroleum International Limited) (Qatari Private Shareholding Company)	QatarEnergy	Qatar	Investment in international projects across the energy value chain	100.00%	100.00%
Al Shaheen Holding Q.S.C. ("Al Shaheen")	QatarEnergy	Qatar	Holding company	100.00%	100.00%
QatarEnergy LNG Marketing ("QELNGM") (formerly known as QP Qatar Gas (4) Limited) (Qatari Private Shareholding Company)	QatarEnergy	Qatar	Holding company	100.00%	100.00%
Gulf International Services Q.P.S.C. ("GIS")	QatarEnergy	Qatar	Holding company invested in drilling, helicopter transportation, insurance and catering services	10.00%	10.00%
QP Ras Gas (3) Limited (Qatari Private Shareholding Company)	QatarEnergy	Qatar	Holding company	100.00%	100.00%
Mesaieed Petrochemical Holding Company Q.P.S.C. ("MPHC")	QatarEnergy	Qatar	Own and invest in Petrochemical projects	57.85%	65.41%

2. Basis of preparation (continued)

2.3 Components of the Group (continued)

Direct subsidiaries of QatarEnergy (continued)

Entity/Group	Shareholder	Country of incorporation	Principal activities	Equity holding 2023	Equity holding 2022
QatarEnergy Oil & Gas Limited ("QEOG") (formerly known as QP Oil & Gas Limited)	QatarEnergy	Qatar	Holding company	100.00%	100.00%
Seef Limited ("Seef")	QatarEnergy	Qatar	Production and sale of linear alkyl benzene, heavy alkyl benzene and other related products.	100.00%	100.00%
QatarEnergy Oil and Gas (2) ("QEOG2)	QatarEnergy	Qatar	Refinery facilities and production, loading and marketing of refined products.	100.00%	100.00%
QatarEnergy LNG Investments (QELNGI) (formerly known as QatarEnergy Oil and Gas Limited 1)	QatarEnergy	Qatar	Holding company	100.00%	100.00%
Qatar Aluminium Manufacturing Company Q.P.S.C. ("QAMCO")	QatarEnergy	Qatar	Holding company invested in aluminium manufacturing	51.00%	51.00%
Qatar Fuel Company Q.P.S.C. ("Woqod")	QatarEnergy	Qatar	Sale, marketing and distribution of oil, gas and refined petroleum products, vehicle inspection services, marine bunkering, bitumen, transportation of oil and gas, vessel chartering and real estate services.	20.00%	20.00%
QatarEnergy Renewables Solutions Q.P.S.C. ("QERS") (formerly Siraj Energy Q.P.S.C.)	QatarEnergy	Qatar	Investment in renewable energy projects specializing solar energy as a provider and installer of solar panels with focus on solar energy research.	100.00%	51.00%
QatarEnergy LNG N1 (formerly known as Qatar Liquefied Gas Company Limited Q.P.J.S.C.) (1)	QatarEnergy LNG Investments / QatarEnergy	Qatar	Production, marketing and transportation of LNG	-	100.00%
Qatex Limited (2)	QatarEnergy	Qatar	Aviation fuel storage and transportation services	100.00%	-

(1) During the year, this investment was transferred to QatarEnergy LNG Investments as part of internal reorganisation.

(2) Qatex was a joint venture as on 31 December 2022. Refer Note 4.1(xi)

2. Basis of preparation (continued)

2.3 Components of the Group (continued)

Subsidiaries of QatarEnergy's subsidiaries (Indirect subsidiaries)

Entity/Group	Shareholder	Country of incorporation	Principal activities	QatarEnergy's effective percentage holding	
				2023	2022
Qatar Steel Company Q.P.S.C.	IQ	Qatar	Manufacturing of steel billets and reinforcing bars	51.00%	51.00%
Qatar Steel Company FZE (Dubai)	IQ	UAE	Production and sale of high-quality steel wire rod products	51.00%	51.00%
Al Qataria for Production of Reinforcing Steel W.L.L.	IQ	Qatar	Investment in steel industry	51.00%	-
Qatar Fertiliser Company P.S.C. ("QAFCO")	IQ	Qatar	Production and sales of urea and ammonia	51.00%	51.00%
Gulf Formaldehyde Company (P.Q.S.C.) ("GFC")	IQ	Qatar	Production and sales of urea formaldehyde concrete.	35.70%	35.70%
Qatar Melamine Company (P.Q.S.C.) ("QMC")	IQ	Qatar	Production and sale of Melamine	51.00%	51.00%
Qatar Terminal Limited ("QTL")	QatarEnergy International	Qatar	Holding company	100.00%	100.00%
QatarEnergy US Holding Corporation ("QatarEnergy USH") (formerly QP U.S. Holding Corporation Inc.)	QatarEnergy International	USA	Holding company	100.00%	100.00%
QatarEnergy U.S. Investments (1) LLC (formerly known as QTL U.S. Terminal L.L.C.)	QatarEnergy International	USA	Holding company	100.00%	100.00%
QPI Egypt Limited	QatarEnergy International	Cayman Islands	Special purpose entity	100.00%	100.00%
QatarEnergy Investments B.V. (formerly known as QP Brazil Investment B.V.) (3)	QatarEnergy International	The Netherlands	Special purpose entity	100.00%	100.00%
QatarEnergy Netherlands Holdings B.V. (formerly known as Qatar Petroleum Netherlands Holdings B.V.) (4)	QatarEnergy International	The Netherlands	Special purpose entity	100.00%	100.00%
QPI Tamba B.V. (3)	QatarEnergy International	The Netherlands	Special purpose entity	-	100.00%
QPI Upstream B.V. (4)	QatarEnergy International	The Netherlands	Special purpose entity	-	100.00%
QP Brazil Investments (2) B.V. ("QPIBIV 2")	QatarEnergy International	The Netherlands	Special purpose entity	100.00%	100.00%
QPI Energy Canada Ltd ("QIECL")	QatarEnergy International	Canada	Special purpose entity	100.00%	100.00%
QatarEnergy International E&P W.L.L. (QatarEnergy IEP)	QatarEnergy International	Qatar	Special purpose entity	100.00%	100.00%

(3) During the year, QatarEnergy Investments B.V. acquired all of the assets, property and liabilities of QPI Tamba B.V. by universal transfer of title under Dutch law.

(4) During the year, QatarEnergy Netherlands Holdings B.V acquired all of the assets, property and liabilities of QPI Upstream B.V. by universal transfer of title under Dutch law.

2. Basis of preparation (continued)

2.3 Components of the Group (continued)

Subsidiaries of QatarEnergy's subsidiaries (Indirect subsidiaries) (continued)

Entity/Group	Shareholder	Country of incorporation	Principal activities	QatarEnergy's effective percentage holding	
				2023	2022
QatarEnergy Renewables 1 L.L.C. (formerly known as QatarEnergy Renewable Solutions L.L.C.) (5)	QERS/QatarEnergy International	Qatar	Special purpose entity	100.00%	100.00%
QatarEnergy Brasil Ltda	QatarEnergy International	Brazil	Production and sale of crude oil and natural gas	100.00%	100.00%
Green Ocean LNG Limited	QatarEnergy International	Bahamas	Special purpose entity	100.00%	100.00%
QatarEnergy Holdings (UK) Ltd (formerly 'Qatar Petroleum Holdings (UK) Ltd')	QatarEnergy International	United Kingdom	Holding company	100.00%	100.00%
QatarEnergy International Investment 2 L.L.C. (formerly known as Wave LNG Solutions L.L.C.)	QatarEnergy International	Qatar	Special purpose entity	100.00%	100.00%
QatarEnergy U.S. Investments (3) LLC (formerly known as QP Gulf of Mexico L.L.C.)	QatarEnergy International	USA	Special purpose entity	100.00%	100.00%
QatarEnergy U.S. Investments (2) LLC (formerly known as QP US Petrochemicals L.L.C.)	QatarEnergy International	USA	Special purpose entity	100.00%	100.00%
QatarEnergy Argentina Holdings L.L.C. (formerly known as Qatar Petroleum Argentina Holdings L.L.C.	QatarEnergy International	Qatar	Special purpose entity	100.00%	100.00%
QatarEnergy Africa Holdings L.L.C. (formerly known as Qatar Petroleum Africa Holdings L.L.C.)	QatarEnergy International	Qatar	Special purpose entity	100.00%	100.00%
QatarEnergy Mozambique Holdings L.L.C. (formerly known as Qatar Petroleum Mozambique Holdings L.L.C.	QatarEnergy International	Qatar	Special purpose entity	100.00%	100.00%
QatarEnergy E&P Holdings L.L.C. (formerly known as QP Exploration & Production Holdings L.L.C.)	QatarEnergy International	Qatar	Holding company	100.00%	100.00%
Qatar Petroleum Mozambique, Limitada	QatarEnergy International	Mozambique	Petroleum operations	100.00%	100.00%
QatarEnergy E&P Mexico S.A. de C.V. (formerly known as QPI Mexico S.A. de C.V.)	QatarEnergy International	Mexico	Exploration and extraction of oil and gas	100.00%	100.00%

(5) During the year, this investment was transferred to QERS as part of internal reorganisation.

2. Basis of preparation (continued)

2.3 Components of the Group (continued)

Subsidiaries of QatarEnergy's subsidiaries (Indirect subsidiaries) (continued)

Entity/Group	Shareholder	Country of incorporation	Principal activities	QatarEnergy's effective percentage holding	
				2023	2022
QP Oil & Gas SAU	QatarEnergy International	Argentina	Exploration & extraction of oil and gas	100.00%	100.00%
QatarEnergy International Investments LLC (QFC)	QatarEnergy International	Qatar	Holding company	100.00%	100.00%
Al Koot Insurance & Reinsurance Company P.J.S.C. ("Al Koot")	GIS	Qatar	Insurance services	10.00%	10.00%
Gulf Helicopters Company (Qatari Private Shareholding Company) ("GHC")	GIS	Qatar	Helicopter services	10.00%	10.00%
Gulf Drilling International Ltd. (Qatari Private Shareholding Company) ("GDI")	GIS	Qatar	Drilling services	10.00%	10.00%
Amwaj Catering Services Limited (Qatari Private Shareholding Company) ("Amwaj") (6)	GIS	Qatar	All types of Catering services and related services	-	10.00%
United Helicharters Private Limited.	GIS	India	Helicopter services	9.00%	9.00%
Al Maha Aviation Company	GIS	Libya	Aviation services	10.00%	10.00%
Redstar Havacilik Hizmetleri A.S. ("Redstar")	GIS	Turkey	Aviation services	10.00%	10.00%
Gulf Helicopters Investment & Leasing Company	GIS	Morocco	Helicopter services	10.00%	10.00%
WOQOD Vehicle Inspection Co. ("FAHES") W.L.L.	Woqod	Qatar	Vehicle inspection services	20.00%	20.00%
Qatar Jet Fuel Company W.L.L.	Woqod	Qatar	Supply of jet fuel	12.00%	12.00%
WOQOD Marine Services Co. W.L.L.	Woqod	Qatar	Chartering of marine vessels	20.00%	20.00%
WOQOD International Co. W.L.L.	Woqod	Qatar	Holding company for international business of Woqod	20.00%	20.00%
WOQOD Kingdom Co. W.L.L.	Woqod	KSA	Dormant entity	20.00%	20.00%
Ard Al Khaleej Real Estate W.L.L.	Woqod	Qatar	Owning and renting of real estates	20.00%	20.00%

(6) Amwaj is a joint venture from 16 October 2023. Refer Note 11.2.

2. Basis of preparation (continued)

2.3 Components of the Group (continued)

Subsidiaries of QatarEnergy's subsidiaries (Indirect subsidiaries) (continued)

Entity/Group	Shareholder	Country of incorporation	Principal activities	QatarEnergy's effective percentage holding 2023	2022
Polaris Marine Services L.L.C.	Woqod	Oman	Chartering of marine vessels	20.00%	20.00%
Sidra Al Ghariya Shipping Company	Woqod	Republic of Liberia	Ship owners	20.00%	20.00%
Sidra Al Wajbah Shipping Co.	Woqod	Republic of Liberia	Ship owners	20.00%	20.00%
Sidra Al Ruwais Shipping Company	Woqod	Republic of Liberia	Ship owners	20.00%	20.00%
Sidra Al Wakra Shipping Company (formerly known as Orbit Marine Services)	Woqod	Republic of Liberia	Ship owners	20.00%	20.00%
Sidra Al Rumeila Shipping Co.	Woqod	Republic of Liberia	Ship owners	20.00%	20.00%
Sidra Messaied Shipping Co.	Woqod	Republic of Liberia	Ship owners	20.00%	20.00%
Sidra Qatar Shipping Company (formerly known as Horizon Marine Services Limited)	Woqod	Republic of Liberia	Ship owners	20.00%	20.00%
Sidra Doha Shipping Company	Woqod	Republic of Liberia	Ship owners	20.00%	20.00%
Sidra Al Khor Shipping Company	Woqod	Republic of Liberia	Ship owners	20.00%	20.00%
QatarEnergy Marketing and Trading 1 LLC (formerly known as Qatargas Overseas Holdings 1 LLC)	QEMT	Qatar	Holding company	100.00%	-
QatarEnergy Marketing and Trading 2 LLC	QEMT	Qatar	Marketing of LNG	100.00%	-
Qatargas India Private Limited	QEMT	Qatar	Marketing of LNG	100.00%	-
QatarEnergy Trading LLC (7)	QEMT/QELNGI	Qatar	Trading of liquified natural gas (LNG) and related ancillary activities	100.00%	100.00%
QatarEnergy Marine Holdings LLC	QEMT/QELNGI	Qatar	Holding company	100.00%	100.00%
Qatar Energy Marine (1) LLC	QEMT/QELNGI	Qatar	LNG vessel owner	100.00%	100.00%
Qatar Energy Marine (2) LLC	QEMT/QELNGI	Qatar	LNG vessel owner	100.00%	100.00%
Qatar Energy Marine (3) LLC	QEMT/QELNGI	Qatar	LNG vessel owner	100.00%	100.00%
Qatar Energy Marine (4) LLC	QEMT/QELNGI	Qatar	LNG vessel owner	100.00%	100.00%
Qatar Energy Marine (5) LLC	QEMT/QELNGI	Qatar	LNG vessel owner	100.00%	100.00%
Qatar Energy Marine (6) LLC	QEMT/QELNGI	Qatar	LNG vessel owner	100.00%	100.00%
Qatar Energy Marine (7) LLC	QEMT/QELNGI	Qatar	LNG vessel owner	100.00%	100.00%

(7) During the year, this investment was transferred to QatarEnergy Marketing and Trading as part of internal reorganisation.

2. Basis of preparation (continued)

2.3 Components of the Group (continued)

Subsidiaries of QatarEnergy's subsidiaries (Indirect subsidiaries) (continued)

Entity/Group	Shareholder	Country of incorporation	Principal activities	QatarEnergy's effective percentage holding	
				2023	2022
Qatar Energy Marine (8) LLC	QEMT/QELNGI	Qatar	LNG vessel owner	100.00%	100.00%
Qatar Energy Marine (9) LLC	QEMT/QELNGI	Qatar	LNG vessel owner	100.00%	100.00%
Qatar Energy Marine (10) LLC	QEMT/QELNGI	Qatar	LNG vessel owner	100.00%	100.00%
QatarEnergy LNG N1 (formerly known as Qatar Liquefied Gas Company Limited Q.P.J.S.C.) (8)	QELNGI/ QatarEnergy	Qatar	Production, marketing and transportation of LNG	100.00%	-

Joint ventures of the Group

Entity/Group	Shareholder	Country of incorporation	Principal activities	QatarEnergy's effective percentage holding	
				2023	2022
RasGas Company Limited Q.P.J.S.C.	QatarEnergy	Qatar	Operating company	70.00%	70.00%
Qatex Limited (9)	QatarEnergy	Qatar	Aviation fuel storage and transportation services	-	51.00%
Oryx GTL Limited. (Oryx)	QatarEnergy	Qatar	Management operation and maintenance of Gas to Liquids complex	51.00%	51.00%
Laffan Refinery Company Limited Q.P.J.S.C. (LR) (10)	QatarEnergy	Qatar	Operation of refinery facilities and production and marketing of refined products	-	51.00%
Qatofin Company Limited Q.P.J.S.C.	QatarEnergy / IQ	Qatar	Production and Sales of Petrochemical products	25.97%	25.97%
Qatar Vinyl Company Limited Q.P.J.S.C. (QVC)	QatarEnergy / MPHC / IQ	Qatar	Production and sale of Petrochemical products	57.85%	62.02%
Qatar Chemical Company Limited Q.P.J.S.C. (Q-chem)	QatarEnergy / MPHC	Qatar	Production and sale of Petrochemical products	30.35%	34.05%
Qatar Chemical Company II Limited Q.P.J.S.C. (Q-chem II)	QatarEnergy / MPHC	Qatar	Production and sale of Petrochemical products	30.35%	34.05%

(8) During the year, this investment was transferred to QatarEnergy LNG Investments as part of internal reorganisation.

(9) Qatex was a joint venture as on 31 December 2022. Refer Note 4.1(xi).

(10) LR2 was merged into LR and then LR was transferred to investment in associate. Refer Note 8b(vi).

2. Basis of preparation (continued)

2.3 Components of the Group (continued)

Joint ventures of the Group (continued)

Entity/Group	Shareholder(s)	Country of incorporation	Principal activities	QatarEnergy's effective percentage holding	
				2023	2022
Ras Laffan Olefins Company Limited. Q.P.J.S.C.	QatarEnergy / MPHC	Qatar	Operate and maintair Ethylene cracker plant	29.04%	31.02%
Laffan Refinery Company Limited 2 Q.P.J.S.C. (LR2) (12)	QatarEnergy	Qatar	Operation of refinery facilities and production and marketing of refined products	-	84.00%
Gasal Q.P.S.C.	QatarEnergy	Qatar	Manufacture and supply of industries gases	30.50%	30.50%
QatarEnergy LNG N (2) (formerly known as Qatar Liquefied Gas Company Limited (2) Q.P.J.S.C.) (11)	QELNGI/Qatar Energy	Qatar	Production, marketing and transportation of LNG	67.50%	67.50%
QatarEnergy LNG N (3) (formerly known as Qatar Liquefied Gas Company Limited. (3)) (11)	QELNGI / QEMT	Qatar	Production, marketing and transportation of LNG	68.50%	68.50%
QatarEnergy LNG N (4) (formerly known as Qatar Liquefied Gas Company Limited. (4)) (11)	QELNGI/QELN GM	Qatar	Production, marketing and transportation of LNG	70.00%	70.00%
QatarEnergy LNG S (1) (formerly known as Ras Laffan Liquefied Natural Gas Company Limited Q.P.J.S.C.) (11)	QELNGI/Qatar Energy	Qatar	Production, liquefaction, shipping and marketing of LNG	63.00%	63.00%
QatarEnergy LNG S (2) (formerly known as Ras Laffan Liquefied Natural Gas Company Limited. (II) Q.P.J.S.C.) (11)	QELNGI/Qatar Energy	Qatar	Production, liquefaction, shipping and marketing of LNG	67.05%	67.05%
QatarEnergy LNG S (3) (formerly Ras Laffan Liquefied Natural Gas Company Limited. (3) (11)	QELNGI/QPRG 3	Qatar	Production, liquefaction, shipping and marketing of LNG	70.00%	70.00%
QatarEnergy LNG (formerly known as Qatar Gas Operating Company Limited Q.P.J.S.C.) (11)	QELNGI/Qatar Energy	Qatar	Operating company	70.00%	70.00%
Barzan Gas Company Limited Q.P.J.S.C. (Barzan) (11)	QELNGI/Qatar Energy	Qatar	Production, marketing and transportation of Petroleum products.	93.00%	93.00%

(11) During the year, this investment was transferred to QatarEnergy LNG Investments as part of internal reorganisation.

(12) LR2 was merged into LR and then LR was transferred to investment in associate. Refer Note 8b(v).

2. Basis of preparation (continued)

2.3 Components of the Group (continued)

Joint ventures of the Group (continued)

Entity/Group	Shareholder	Country of incorporation	Principal activities	QatarEnergy's effective percentage holding 2023	2022
QatarEnergy LNG NFE (1) (formerly known as Qatar Liquified Gas Company Limited (5))	QELNGI	Qatar	Extraction of Natural Gas	75.00%	100.00%
QatarEnergy LNG NFE (2) (formerly known as Qatar Liquified Gas Company Limited (6))	QELNGI	Qatar	Extraction of Natural Gas	70.00%	75.00%
QatarEnergy LNG NFE (3) (formerly known as Qatar Liquified Gas Company Limited (7))	QELNGI	Qatar	Extraction of Natural Gas	75.00%	75.00%
QatarEnergy LNG NFE (4) (formerly known as Qatar Liquified Gas Company Limited (8))	QELNGI	Qatar	Extraction of Natural Gas	75.00%	75.00%
QatarEnergy LNG NFE (5) (formerly known as Qatar Liquified Gas Company Limited (9))	QELNGI	Qatar	Extraction of Natural Gas	75.00%	75.00%
QatarEnergy LNG NFS (1) (formerly known as Qatar Liquified Gas Company Limited (10))	QELNGI	Qatar	Extraction of Natural Gas	75.00%	-
QatarEnergy LNG NFS (2) (formerly known as Qatar Liquified Gas Company Limited (11))	QELNGI	Qatar	Extraction of Natural Gas	75.00%	-
QatarEnergy LNG NFS (3) (formerly known as Qatar Liquified Gas Company Limited (12))	QELNGI	Qatar	Extraction of Natural Gas	75.00%	-
Qatar Petrochemical Company Q.P.J.S.C. (QAPCO)	IQ	Qatar	Production and sale of ethylene, polyethylene, hexane and other petrochemical products	40.80%	40.80%
Qatar Fuel Additives Company Limited Q.P.S.C. (QAFAC)	IQ	Qatar	Production and sale of Methyl-tertiary-butyl-ether (MBTE) and methanol	25.50%	25.50%
QPI & Shell Petrochemicals (Singapore) Pte. Ltd. (QSPS)	QatarEnergy International	Singapore	Investment in petrochemical plants	49.00%	49.00%
South Hook Gas Company Ltd.	QatarEnergy International	UK	Investment in gas marketing company	70.00%	70.00%
South Hook LNG Terminal Company Ltd. (SH LNG)	QatarEnergy International	UK	LNG receiving and regasification	67.50%	67.50%
Adriatic LNG Terminal (ALNG)	QatarEnergy International	Italy	LNG receiving and regasification	22.02%	22.02%

2. Basis of preparation (continued)

2.3 Components of the Group (continued)

Joint ventures of the Group (continued)

Entity/Group	**Shareholder**	**Country of incorporation**	**Principal activities**	**QatarEnergy's effective percentage holding**	
				2023	2022
Arab Refining Company (ARC)	QatarEnergy International	Egypt	Investment in refinery projects	38.11%	38.11%
Golden Pass LNG Terminal L.L.C. (GPLNG)	QatarEnergy International	USA	LNG receiving and regasification	70.00%	70.00%
Golden Pass Pipeline L.L.C. (GPPL)	QatarEnergy International	USA	Gas dispatching	70.00%	70.00%
ExxonMobil Exploration Argentina S.R.L. (EMEA)	QatarEnergy International	Argentina	Petroleum operations	30.00%	30.00%
Mobil Argentina S.A. (MASA)	QatarEnergy International	Argentina	Petroleum operations	30.00%	30.00%
Ocean LNG Ltd.	QatarEnergy International	Bahamas	Marketing arm of Golden Pass outside U.S.	70.00%	70.00%
Marine LNG Solutions LLC	QatarEnergy International	Qatar	Special purpose entity	50.00%	50.00%
TOQAP Guyana B.V.	QatarEnergy International	Netherlands	Petroleum operations	40.00%	40.00%
Golden Triangle Polymers Company Holdings LLC	QatarEnergy International	USA	Petrochemical operations	49.00%	49.00%
Al Shaheen Baker Hughes Services	Al Shaheen	Qatar	Repair of GE gas turbines, compressors and other related auxiliary services	50.00%	50.00%
Gulf Med Aviation Services Limited	GIS	Malta	Helicopter services	-	4.90%
Air Ocean Maroc	GIS	Morocco	Helicopter services	4.90%	4.90%
Gulf Drill L.L.C.	GIS	Qatar	Drilling services	5.00%	5.00%
Amwaj Catering Services Limited (Qatari Private Shareholding Company) ("Amwaj") (13)	GIS	Qatar	All types of Catering services and related services	3.00%	-
North Oil Company Q.P.S.C.	QEOG	Qatar	Petroleum operations-exclusive rights	70.00%	70.00%
Qatar Aluminium Company Limited Q.P.J.S.C. (Qatalum)	QAMCO	Qatar	Production and sale of Aluminium products	25.50%	25.50%
Siraj (1) Q.P.S.C	QERS	Qatar	Investment in renewable energy projects specializing solar energy as a provider and installer of solar panels with focus on solar energy research	60.00%	60.00%

(13) Amwaj became joint venture from subsidiary on 16 October 2023. Refer Note 11.2.

2. Basis of preparation (continued)

2.3 Components of the Group (continued)

Joint ventures of the Group (continued)

Entity/Group	Shareholder	Country of incorporation	Principal activities	QatarEnergy's effective percentage holding	
				2023	2022
Ras Laffan Petrochemicals Company ('RLPC')	QEOG2	Qatar	Petrochemical facilities, industrial management, maintenance and Trading of Petrochemicals	70.00%	70.00%
Qatar Petrochemicals Operating Company ('QPOC')	QEOG2	Qatar	Petrochemical facilities, industrial management, maintenance and Trading of Petrochemicals	70.00%	70.00%

Associates of the Group

Entity/Group	Shareholder	Country of incorporation	Principal activities	QatarEnergy's effective percentage holding	
				2023	2022
Arab Maritime Petroleum Transport Company	QatarEnergy	Kuwait	Operates and charters a fleet of crude and petro product tankers	14.80%	14.80%
Arab Petroleum Investment Corporation	QatarEnergy	KSA	Participation in financing petroleum projects and industries	10.00%	10.00%
Arab Petroleum Services Company	QatarEnergy	Libya	Provision of petroleum services	10.00%	10.00%
Arab Petroleum Pipelines Company	QatarEnergy	Egypt	Operate pipelines to transfer petroleum	5.00%	5.00%
Ras Laffan Power Company Limited	QatarEnergy	Qatar	Production and supply of electricity and production of desalinated water	10.00%	10.00%
Mesaieed Power Company Limited Q.P.S.C.	QatarEnergy	Qatar	Production and supply of electricity	20.00%	20.00%
Ras Girtas Power Company	QatarEnergy	Qatar	Production and supply of electricity and production of desalinated water	15.00%	15.00%
Umm Al Houl Power Q.P.S.C.	QatarEnergy	Qatar	Production and supply of electricity and production of desalinated water	5.00%	5.00%

2. Basis of preparation (continued)

2.3 Components of the Group (continued)

Associates of the Group (continued)

Entity/Group	Shareholder	Country of incorporation	Principal activities	QatarEnergy's effective percentage holding 2023	2022
Laffan Refinery Company Limited Q.P.J.S.C. (LR) (16)	QatarEnergy	Qatar	Operation of refinery facilities and production and marketing of refined products	72.00%	-
Qatar Metals Coating Company W.L.L.	IQ	Qatar	Production and sale of epoxy resin coated bars	25.50%	25.50%
Foulath Holding B.S.C.	IQ	Bahrain	Manufacture and sale of various sale products	12.75%	12.75%
SOLB Steel Company (SSC)	IQ	KSA	Manufacture and sale of steel products	15.83%	15.83%
TotalEnergies E&P Congo	QatarEnergy International	Republic of Congo	Upstream exploration and production	15.00%	15.00%
Tamba B.V.	QatarEnergy International	Netherlands	Operates and manages FPSO leases and Subsea leases	23.00%	23.00%
AKG Holding Limited (14)	QELNGI/QP RG3	Bahamas	Production and sale of gas	12.50%	12.50%

Joint operations of the Group

Entity/Group	Investor	Country of incorporation	Principal activities	QatarEnergy's effective percentage holding 2023	2022
Pearl GTL Project North Field (Unincorporated) (17)	QatarEnergy	Qatar	Developing of gas to liquid project in Ras Laffan	-	-
Dolphin Gas Project (Unincorporated) (17)	QatarEnergy	Qatar	Recover and export natural gas for export purpose.	-	-
Al Khaleej Gas Project (Unincorporated) (17)	QatarEnergy	Qatar	Enhanced gas utilization	-	-
BC-10 Concession	QatarEnergy International	Brazil	Upstream exploration and production assets of Block BC-10	23.00%	23.00%
Block SEPIA	QatarEnergy International	Brazil	Upstream exploration and production	21.00%	21.00%
Offshore Block 10 & Block 5	QatarEnergy International	Cyprus	Upstream exploration and production	40.00%	40.00%
Alto de Cabo Frio-Oeste block	QatarEnergy International	Brazil	Upstream exploration and production	25.00%	25.00%
Block 3,4,6,7 (15)	QatarEnergy International	Mexico	Upstream exploration and production	-	40.00%
Block 24 (15)	QatarEnergy International	Mexico	Upstream exploration and production	-	35.00%

(14) During the year, this investment was transferred to QatarEnergy LNG Investments as part of internal reorganisation.
(15) During the year, the Group exited from these blocks.
(16) LR and LR2 merged into LR and transferred to associate. Refer note 8b(v) for details.
(17) The Group's interest in these joint operations is based on contractual terms of production sharing arrangement which varies from time to time.

2. Basis of preparation (continued)

2.3 Components of the Group (continued)

Joint operations of the Group (continued)

Entity/Group	Investor	Country of incorporation	Principal activities	QatarEnergy's effective percentage holding	
				2023	2022
Block 536 & 647	QatarEnergy International	Brazil	Upstream exploration and production	36.00%	36.00%
Tita Block	QatarEnergy International	Brazil	Upstream exploration and production	36.00%	36.00%
Block 789 & 753	QatarEnergy International	Brazil	Upstream exploration and production	30.00%	30.00%
Block 541	QatarEnergy International	Brazil	Upstream exploration and production	40.00%	40.00%
Block 659 & 713	QatarEnergy International	Brazil	Upstream exploration and production	25.00%	25.00%
Block A5A (18)	QatarEnergy International	Mozambique	Upstream exploration and production	-	25.50%
Block A5B (18)	QatarEnergy International	Mozambique	Upstream exploration and production	-	10.00%
Block 52	QatarEnergy International	Oman	Upstream exploration and production	30.00%	30.00%
Tarfaya Shallow Block	QatarEnergy International	Morocco	Upstream exploration and production	30.00%	30.00%
Block MLO113, Block MLO117 & Block MLO118 (18)	QatarEnergy International	Argentina	Upstream exploration and production	-	30.00%
Block CAN107& Block CAN109	QatarEnergy International	Argentina	Upstream exploration and production	40.00%	40.00%
Block PEL 91 (Block 2912)	QatarEnergy International	Namibia	Upstream exploration and production	28.33%	28.33%
Block PEL 56 (Block 2913B)	QatarEnergy International	Namibia	Upstream exploration and production	30.00%	30.00%
Block L12, L11A & L11B (18)	QatarEnergy International	Kenya	Upstream exploration and production	-	25.00%
Block EL 1162, 1169	QatarEnergy International	Canada	Upstream exploration and production	40.00%	40.00%
Block SDL 197	QatarEnergy International	Canada	Upstream exploration and production	30.00%	30.00%
Block PEL 39 (2913A & (2914B)	QatarEnergy International	Namibia	Upstream exploration and production	45.00%	45.00%
Block 15	QatarEnergy International	Mexico	Upstream exploration and production	30.00%	50.00%
Block 34 (18)	QatarEnergy International	Mexico	Upstream exploration and production	-	15.00%
Suriname Block 64	QatarEnergy International	Suriname	Upstream exploration and production	30.00%	-

(18) During the year, the Group exited from these blocks.

2. Basis of preparation (continued)

2.3 Components of the Group (continued)

Joint operations of the Group (continued)

Entity/Group	Investor	Country of incorporation	Principal activities	QatarEnergy's effective percentage holding 2023	2022
Block 33	QatarEnergy International	Mexico	Upstream exploration and production	15.00%	15.00%
Blocks 3314 and 3315	QatarEnergy International	South Africa	Upstream exploration and production	29.17%	29.17%
DWOB Block	QatarEnergy International	South Africa	Upstream exploration and production	30.00%	30.00%
Blocks 3013 and 3113	QatarEnergy International	South Africa	Upstream exploration and production	45.00%	45.00%
11B/12B Block	QatarEnergy International	South Africa	Upstream exploration and production	25.00%	25.00%
Block 9	QatarEnergy International	Lebanon	Upstream exploration and production	30.00%	-
Block Água Marinha	QatarEnergy International	Brazil	Upstream exploration and production	20.00%	-
Block S-M-1711 & 1815	QatarEnergy International	Brazil	Upstream exploration and production	50.00%	-
Suriname Block 6 & 8	QatarEnergy International	Suriname	Upstream exploration and production	20.00%	-
Block 33 & Block 34	QatarEnergy International	Mexico	Upstream exploration and production	15.00%	15.00%
Suriname Block 65	QatarEnergy International	Suriname	Upstream exploration and production	40.00%	-
Mauritania C-10	QatarEnergy International	Mauritania	Upstream exploration and production	40.00%	-
Block 3 & 4	QatarEnergy International	Egypt	Upstream exploration and production	17.00%	-
Iraq (GGIP)	QatarEnergy International	Iraq	Upstream exploration and production	25.00%	-
Al Khalij Block 6 Field	QEOG	Qatar	Petroleum operations-exclusive rights	60.00%	60.00%

2. Basis of preparation (continued)

2.4 New accounting standards and amendments adopted by the Group

During the current year, the Group adopted new accounting standards and amendments that are effective for the financial year ended 31 December 2023:

Effective from 1 January 2023	• *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 from 23 May 2023	• *International Tax Reform – Pillar Two Model Rules – Amendments to IAS 12*

i. Material Accounting Policy Information

The Group has adopted Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2) from 1 January 2023. The amendments require the disclosure of 'material', rather than 'significant', accounting policies. The amendments also provide guidance on the application of materiality to disclosure of accounting policies, assisting entities to provide useful, entity-specific accounting policy information that users need to understand other information in the consolidated financial statements.

Management reviewed the accounting policies and concluded that the information disclosed in Note 3 Material Accounting Policies (2022: Significant Accounting Policies) is in line with the amendments, therefore, no material changes have been made in this regard.

ii. Global minimum top-up tax

The Group has adopted International Tax Reform – Pillar Two Model Rules (Amendments to IAS 12) upon their release on 23 May 2023. The amendments provide a temporary mandatory exception from deferred tax accounting for the top-up tax, which is effective immediately, and require new disclosures about the Pillar Two exposure. Refer Note 32 for details.

The mandatory exception applies retrospectively. However, because no new legislation to implement the top-up tax was enacted or substantively enacted at 31 December 2022 in any jurisdiction in which the Group operates and no related deferred tax was recognised at that date, the retrospective application has no impact on the Group's consolidated financial statements.

iii. IFRS 17 - Insurance Contracts

IFRS 17 replaces IFRS 4 Insurance Contracts and is effective for annual periods beginning on or after 1 January 2023. IFRS 17 establishes principles for the recognition, measurement, presentation and disclosure of insurance contracts, reinsurance contracts and investment contracts with direct participation features ("DPF"). The Group has adopted IFRS 17 with effect from 1 January 2023 and has not restated comparative information as the impact of restatement is not material.

iv. Deferred Tax related to Assets and Liabilities arising from a Single Transaction

The Group has adopted Deferred tax related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12) from 1 January 2023. The amendments narrow the scope of initial recognition exemption to exclude transactions that give rise to equal and offsetting temporary differences – e.g., leases and decommissioning liabilities. For leases and decommissioning liabilities, an entity is required to recognize the associated deferred tax assets and liabilities from the beginning of the earliest comparative period presented, with any cumulative effect recognized as an adjustment to retained earnings or other components of equity at that date. For all other transactions, an entity applies the amendments to transactions that occur on or after the beginning of the earliest period presented.

2. Basis of preparation (continued)

2.4 New accounting standards and amendments adopted by the Group (continued)

iv. Deferred Tax related to Assets and Liabilities arising from a Single Transaction (continued)

The Group previously accounted for deferred tax on leases by applying the "integrally linked" approach, resulting in similar outcome as under the amendments, except that the deferred tax asset or liability was recognized on a net basis. Following the amendments, the Group has recognized a separate deferred tax asset in relation to its right-of-use assets and a lease liability in relation to its leases. However, there was no impact on the consolidated statement of financial position because the balances qualify for offset under paragraph 74 of IAS 12. The key impact for the Group relates to disclosure of the deferred tax assets and liabilities recognized. Further, the management has reviewed the impact on decommissioning liabilities and determined that there is no significant impact on the consolidated financial statements. There was also no impact on the opening retained earnings as at 1 January 2022 as a result of this change.

Other than adoption of (i) to (iv) disclosed above, the adoption of the new accounting standards and amendments did not have a significant impact on the Group's consolidated financial statements.

2.5 Amendments to accounting standards not yet effective, but available for early adoption

The below amendments to accounting standards that are not yet effective but available for early adoption, have not been applied in preparing these consolidated financial statements:

Effective for the year beginning 1 January 2024	• *Non-Current liabilities with Covenants – Amendments to IAS 1* • *Classification of liabilities as Current or Non-Current – Amendments to IAS 1* • *Lease liability in a Sale and Leaseback – Amendments to IFRS 16* • *Supplier Finance Arrangements – Amendments to IAS 7 and IFRS 7*
Effective for the year beginning 1 January 2025	• *Lack of Exchangeability – Amendments to IAS 21*
Available for optional adoption / effective date deferred indefinitely	• *Sale or Contribution of Assets between an Investor and its Associate or Joint Venture – Amendments to IFRS 10 and IAS 28*

The Group does not expect that the adoption of the above amendments to accounting standards will have a significant impact on the Group's consolidated financial statements.

3. Material accounting policies

3.1 Basis of consolidation and business combination

Basis of consolidation

The consolidated financial statements include the separate financial statements of QatarEnergy and the (consolidated) financial statements of the entities controlled by QatarEnergy (its "subsidiaries").

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

a) power over the investee;
b) exposure, or rights, to variable returns from its involvement with the investee; and
c) the ability to use its power over the investee to affect its returns.

The Group re-assesses whether it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control.

When the Group has less than a majority of voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Group considers all relevant facts and circumstances in assessing whether or not the Group's voting rights in an investee are sufficient to give it power, including:

a) the size of the Group's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
b) potential voting rights held by the Group, other vote holders or other parties;
c) rights arising from other contractual arrangement; and
d) any additional facts and circumstances that indicate that the Group has, or does not have, the current ability to direct the relevant activities at the time that the decision needs to be made, including voting patterns at previous shareholders' meetings.

Subsidiaries are fully consolidated from the date on which QatarEnergy obtains control and continue to be consolidated until the date when such control ceases.

Profit or loss and other comprehensive income of each component are attributed to the owner of QatarEnergy and the non-controlling interests (NCI). Total comprehensive income of the subsidiaries is attributed to the owner of QatarEnergy and to the NCI even if this results in the NCI having deficit balance.

The consolidated financial statements incorporate the Group's interest and its share of profits or losses from associates and joint ventures using the equity method of accounting. Joint operations are accounted for in these consolidated financial statements on the Group's share of each of the assets, liabilities, income and expenses of the joint operations and are combined with the similar items, line by line.

Where necessary, adjustments are made to the financial statements of subsidiaries, joint ventures, joint operations and associates to bring their accounting policies in line with those used by the Group.

All intra-group balances, transactions and unrealised gains and losses resulting from intra-group transactions and dividends are eliminated or reversed in full.

Changes in the Group's ownership interest in existing subsidiaries

Changes in the Group's ownership interest in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's interest and the non-controlling interests are adjusted to reflect the changes in their relative interest in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to the Group.

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

3. Material accounting policies (continued)

3.1 Basis of consolidation and business combination (continued)

Business combination

Acquisitions of a business are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition date fair values of the assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange for control of the acquiree. Acquisition related costs are generally recognised in profit of loss as incurred.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their fair values, except that:

- Deferred tax assets or liabilities, and assets or liabilities related to employee benefit arrangements are recognized and measured under the Group's accounting policies; and
- Assets (or disposal group) that are classified as held for sale in accordance with the Group's accounting policies.

Non-controlling interests that are present ownership interests and entitle holders to a proportionate share of the entity's net assets in the event of liquidation is initially measured either at fair value or at the non-controlling interests' proportionate share of the recognised amounts of the acquiree's identifiable net assets. The choice of the measurement basis is made on a transaction-by-transaction basis.

When the consideration transferred by the Group in a business combination includes assets or liabilities resulting from a contingent consideration arrangement, the contingent consideration is measured at its acquisition-date fair value and included as part of the consideration transferred in a business combination. Changes in the fair value of the contingent consideration that qualify as measurement period adjustments are adjusted retrospectively, with corresponding adjustments against goodwill. Measurement period adjustments are those adjustments that arise from additional information obtained during the 'measurement period' (which cannot exceed one year from the acquisition date) about facts and circumstances that existed at the acquisition date.

The subsequent accounting for changes in the fair value of the contingent consideration that do not qualify as measurement period adjustments depends on how the contingent consideration is classified. Contingent consideration that is classified as equity is not measured at subsequent reporting dates and subsequent settlement is accounted for within equity. Contingent consideration that is classified as an asset or a liability is remeasured at subsequent reporting dates in accordance with the Group's accounting policies, as appropriate, with the corresponding gain or loss being recognised in profit or loss.

When a business combination is achieved in stages, the Group's previously held equity interest in the acquiree is remeasured to its acquisition-date fair value and the resulting gain or loss, if any, is recognised in profit or loss. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognised in other comprehensive income are reclassified to profit or loss where such treatment would be appropriate if that interest were disposed of.

If the initial accounting for a business combination is incomplete by the end of the financial reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the 'measurement period', or additional assets or liabilities are recognised, to reflect the information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amount recognised at that date.

3. Material accounting policies (continued)

3.1 Basis of consolidation and business combination (continued)

Acquisition of assets (including any liabilities assumed) that do not constitute a business

If the Group acquires an asset or a group of assets (including any liabilities assumed) that does not constitute a business, then the transaction is outside the scope of IFRS 3 because it cannot meet the definition of a business combination. Such transactions are accounted for as asset acquisitions in which the cost of acquisition is generally allocated between the individual identifiable assets and liabilities in the group based on their relative fair values at the date of acquisition. They do not give rise to goodwill or a gain on a bargain purchase.

Assets acquired in an asset acquisition are recognised based on the cost of acquisition. The Group does not include variable payments in the cost of assets acquired.

The cost of an asset acquisition may comprise the following:

- cash or cash equivalent price at the date of acquisition;
- fair value of non-cash consideration (e.g., non-cash assets given up or liabilities assumed); and
- transaction costs directly attributable to the acquisition of the assets.

In cases where the sum of the individual fair values of the identifiable assets and liabilities differs from the transaction price, management allocates the cost of the group of assets between the individual identifiable assets and liabilities based on their relative fair values at the date of acquisition, and then applies the initial measurement requirements in the applicable IFRS Accounting Standards to each identifiable asset acquired and liability assumed.

In cases where the Group acquires assets by obtaining a controlling interest in an entity that does not constitute a business as defined in IFRS 3 in successive share purchases – i.e., a 'step acquisition', the previously held equity interest is included as part of the cost of the acquisition. The Group does not remeasure the previously held equity interest because IFRS 3 specifies a cost-based approach for an asset acquisition and under a cost-based approach the existing assets are generally not remeasured.

The Group has elected to expense the variable consideration to be paid for asset acquisition as and when it is incurred.

3.2 Goodwill

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

Goodwill arising on an acquisition of a business is carried at cost as established at the date of acquisition of the business less accumulated impairment losses, if any. For the purposes of impairment testing, goodwill is allocated to each of the Group's cash-generating unit (CGU) (or groups of CGUs) that is expected to benefit from the synergies of the combination.

A CGU to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the CGU is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised directly in profit or loss. An impairment loss recognised for goodwill is not reversed in subsequent periods.

On disposal of the relevant CGU, the attributable amount of goodwill is included in the determination of profit or loss on disposal.

3. Material accounting policies (continued)

3.3 Property, plant and equipment

Initial recognition

The cost of an item of property, plant and equipment is recognised as an asset if, and only if:

(a) It is probable that future economic benefits associated with the item will flow to the Group; and
(b) The cost of the item can be measured reliably.

However, items of property, plant and equipment may be acquired for safety or environmental reasons, for example to comply with environmental regulations. The acquisition of such items, although not directly increasing the future economic benefits of any particular existing item of property, plant and equipment may be necessary to obtain future economic benefits from other assets or group of assets. Such items are also recognised as assets.

Property, plant and equipment are stated at cost, less accumulated depreciation and impairment losses, if any. The initial cost of an asset comprises:

(a) its purchase price or construction cost, including import duties and non-refundable purchase taxes after deducting trade discounts and rebates.

(b) any costs directly attributable to bringing the asset into present location and condition, for example:

- cost of site preparation;
- initial delivery and handling cost;
- installation and assembly cost;
- cost of testing whether the asset is functioning properly, after deducting the net proceeds from selling any items produced during the testing period; and
- professional fees associated with the acquisition of the property.

(c) the initial estimate of the cost of decommissioning, dismantling and removing the item and restoring the site on which it is located – wherever applicable and where a decommissioning obligation exists.

(d) for qualifying assets, where applicable, borrowing cost.

Spare parts and servicing equipment are carried as inventory and expensed when consumed. However, major spare parts and stand-by equipment qualifying as property, plant and equipment are recognised as property, plant and equipment.

Subsequent costs

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset (as appropriate) only when it is probable that future economic benefits associated with the item of assets will flow to the Group and the cost of assets can be measured reliably, in consideration of the following provisions:

(i) Additions and extension

Cost incurred for additions and extension of an existing asset is capitalised when such cost results in increased efficiency, enhancement of benefits or life of the asset. In other cases, the cost incurred is expensed when incurred.

(ii) Replacements

Cost of replacement of an asset or part of an asset, where this asset/part is separately depreciated and is now replaced, and it is probable that future economic benefits associated with this asset/part will flow to the Group; the replacement costs are capitalized and depreciated as per depreciation policy used for that asset. The carrying amount of the old assets / parts that are replaced is written-off / derecognized.

Where this asset/part is not separately considered as a component and therefore not depreciated separately, the replacement cost is used to estimate the carrying amount of the replaced asset /part.

3. Material accounting policies (continued)

3.3 Property, plant and equipment (continued)

Subsequent costs (continued)

(iii) Improvements / upgrades

Costs incurred for improvement / upgrade of an existing asset are capitalized if such costs result in an increased efficiency, enhancement of benefits, or extending the useful life of the asset.

(iv) Repairs, Refurbishment and Maintenance Cost

Costs incurred for routine and cyclical maintenance and repairs as well as day-to-day repairs and maintenance are expensed when incurred.

Some assets require major maintenance and refurbishment at regular intervals, which is often described as an overhaul or turnaround. Cost of an item of property, plant and equipment is recognised when future economic benefits are probable and the cost of the item can be measured reliably. Subsequently, when the costs are incurred in relation to such an item of property, plant and equipment, the nature of such costs needs to be determined:

(a) if the costs relate to the replacement of a part of the entire asset, then the carrying amount of the part that is replaced is derecognized and recognizes the cost of the replacement part;
(b) costs of day-to-day servicing costs (e.g., costs of labour and consumables and possibly the cost of small parts) should be expensed when incurred;
(C) when each major inspection, overhaul or turnaround is performed, its cost is recognised in the carrying amount of the item of property, plant and equipment as a replacement if the recognition criteria are satisfied. Such costs are to be depreciated over the period until next inspection, overhaul or turnaround. Any remaining carrying amount of the cost of the previous inspection, overhaul or turnaround is derecognized. This occurs regardless of whether the cost of the previous inspection was identified in the transaction in which the item was acquired or constructed.

(v) Furnishing

In case of initial furnishing of new offices, clubs, medical centres or residential accommodation, the entire cost of furnishing is capitalized. Subsequent refurbishment / repair of furniture and fittings shall be in line with the policy above. Replacement is in line with the policy above.

(vi) Exchange

In case an asset is acquired in exchange for another asset (whether similar or dissimilar in nature), the cost will be measured at the fair value unless the exchange transaction lacks commercial substance or the fair value of neither the asset received nor the asset given up is reliably measurable. If the acquired item is not measured at fair value, its cost is measured at the carrying amount of the asset given up.

Derecognition

The carrying amount of an item of property, plant and equipment is derecognized:

(a) by its sale or disposal by other means, or
(b) when no future economic benefits are expected from its use, sale or disposal by other means.

The gain or loss arising from derecognition of an item of property, plant and equipment is included in profit or loss when the item is derecognized (unless otherwise in the event of a sale and lease back). The gain or loss resulting from the derecognition of an item of property, plant and equipment is determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item. Gain / loss is classified as other income / expenses.

3. Material accounting policies (continued)

3.3 Property, plant and equipment (continued)

Depreciation

Oil and gas properties are depreciated on a unit-of-production basis over the total proved developed reserves of the field concerned, except in the case of assets whose useful life is shorter than the lifetime of the field, or common facility, in which case the straight-line method is used.

Other property, plant and equipment are generally depreciated on a straight-line basis over their estimated useful lives.

Shared infrastructure is depreciated using straight-line basis over the estimated useful lives of those assets.

Cost of major inspection, overhaul or turnaround which is capitalized is to be depreciated over the period until next inspection, overhaul or turnaround.

Land is not depreciated.

Residual value, useful life and methods of depreciation are reviewed at each reporting period, and, if expectations differ from previous estimate, any change is accounted/adjusted prospectively where appropriate.

The useful lives of the assets are as follows:

Oil and gas properties (UOP assets)	unit-of-production basis
Oil and gas properties (other than UOP assets)	10 to 40 years
Other property, plant and equipment (including port)	2 to 50 years

Depreciation begins when the asset is available for use.

Exploration and evaluation assets

Exploration and evaluation activities involve the search for hydrocarbon resources, the determination of technical feasibility and the assessment of commercial viability of an identified resource.

Initial recognition

Exploration and evaluation assets are measured at cost; expenditures associated to exploration and evaluation assets are those expenditures related to exploration and evaluation activities after obtaining the legal right to explore and before extracting the oil and gas resource, for example:

(a) acquisition of rights to explore;
(b) topographical, geological, geochemical and geophysical studies:
(c) exploratory drilling;
(d) trenching;
(e) sampling;
(f) activities in relation to evaluating the technical feasibility and commercial viability of extracting oil and gas resource; and
(g) the initial estimate of the cost of decommissioning, dismantling and removing the item and restoring the site on which it is located, wherever applicable and where a decommissioning obligation exists.

Pre-license costs are expensed in the period in which these are incurred. Once the legal right to explore has been acquired, costs directly associated with an exploration well are capitalized as exploration and evaluation assets until the drilling of the well is complete and the results have been evaluated.

3. Material accounting policies (continued)

3.3 Property, plant and equipment (continued)

Exploration and evaluation assets (continued)

Classification

Exploration and evaluation assets are classified as tangible (e.g., drilling rigs) or intangible (e.g., drilling rights) according to the nature of the assets acquired and the classification is applied consistently. Tangible portion of the exploration and evaluation assets is presented as part of property, plant and equipment while intangible portion is presented as intangible assets in the consolidated statement of financial position.

Exploration and evaluation assets remain in a separate un-depreciable asset class in the property, plant and equipment and intangible assets until the status of success or failure is known.

Upon recognition of proved oil and / or gas resources and internal approval for development, the relevant exploration and evaluation assets are to be reclassified as oil and gas properties.

Measurement after initial recognition

Exploration and evaluation assets are stated at cost less impairment – if any. Exploration costs are accounted for using the successful efforts method of accounting. Under the successful efforts method, the exploration and evaluation costs are grouped on a field basis; those costs for successful projects remain as an asset only if the cost directly results in the development of proved reserves. Those costs for unsuccessful projects are immediately expensed and are recognized in profit or loss.

Accordingly, within the context of a successful efforts approach, only those costs that lead directly to the discovery, acquisition, or development of specific discrete oil and/or gas reserves are capitalized. If no potential commercial hydrocarbons are discovered, the exploration asset is written off as a dry well. If extractable hydrocarbons are found and subject to further appraisal activity (e.g., the drilling of additional wells), are likely to be capable of being commercially developed, the costs continue to be carried as exploration and evaluation assets while sufficient/continued progress is made in assessing the commerciality of the hydrocarbons.

Costs directly associated with appraisal activity undertaken to determine the size, characteristics and commercial potential of a reservoir following the initial discovery of hydrocarbons are initially capitalized as exploration and evaluation assets. All such capitalized costs are subject to technical, commercial and management review as well as review for indicators of impairment at least once a year; this is to confirm the continued intent to develop or otherwise extract value from the discovery. When this is no longer the case, the costs are written off to profit or loss.

When proved reserves of oil and/or natural gas are identified and development is sanctioned by management, the relevant capitalized expenditures are first assessed for impairment and (if required) any impairment loss is recognized. The remaining balance is transferred to oil and gas properties or intangible assets where appropriate. No depreciation is charged during the exploration and evaluation phase.

Development costs

Post evaluation phase and upon recognition of proved reserve, development costs including expenditures on the construction, installation or completion of infrastructure facilities such as platforms, pipelines and the drilling of production wells are capitalised within oil and gas properties.

Capital work-in-progress

Capital work-in-progress is initially recognised at cost, which includes cost of materials, direct labour and any other costs directly attributable to bringing the asset to a working condition for its intended use. Following the initial recognition; capital work-in-progress is carried at cost less impairment losses – if any. Capital work-in-progress is not depreciated or amortized.

3. Material accounting policies (continued)

3.3 Property, plant and equipment (continued)

Capital work-in-progress (continued)

Capital work-in-progress will be transferred to respective classes of property, plant and equipment when the asset is ready for use as intended by the management.

3.4 Investment property

Investment property represents land and buildings that are occupied substantially for use by third parties and are held by the Group to earn rentals or capital appreciation. Changes in fair values are not recognised as the Group recognizes the investment property at cost model and carries at cost less accumulated depreciation and impairment loss, (if any).

Recognition and measurement

An investment property is recognised initially at cost of acquisition, including any transaction costs and is subsequently measured at cost less accumulated depreciation and accumulated impairment losses.

Subsequent expenditure

Subsequent expenditure is capitalised only if it is probable that future economic benefits associated with the expenditure will flow to the Group and the cost of the item can be measured reliably.

Depreciation

Depreciation is calculated on buildings only to write off the cost of items of investment property using the straight-line method over the estimated useful life of 40 years and is recognised in profit or loss.

Derecognition

An item of investment property is derecognized upon disposal or when no future economic benefits are expected from its use. Profits and losses on disposals of items of investment property are determined by comparing the proceeds from their disposal with their respective carrying amounts and are recognised in profit or loss.

3.5 Intangible assets

Assets like computer software, IT applications, license costs, field appraisal program and intellectual property (including appraisal wells) are classified as intangible assets if these are identifiable, non-monetary, controlled by the Group and it is probable that expected future economic benefits that are attributable to the asset will flow to the Group.

Measurement

Intangible assets are measured on initial recognition at cost. Following the initial recognition, intangible assets are carried at cost less accumulated amortisation and impairment losses, if any. Amortisation of intangible assets is calculated on a straight-line basis over the estimated useful life of those assets. The periodic amortisation is recognized as amortisation expense in profit or loss. The amortisation period is reviewed at each reporting period and adjusted prospectively where appropriate.

Derecognition

An intangible asset is derecognised on disposal or when no future economic benefits are expected from its use of disposal.

Intangible assets majorly comprise of costs incurred on appraisal wells and computer software. These intangible assets are amortised over the useful life of 4 to 25 years.

3. Material accounting policies (continued)

3.6 Catalysts

Catalysts (which comprise of chemicals and precious metals) acquired are measured on initial recognition at cost. Following initial recognition, catalysts are carried at cost less any accumulated amortisation and any accumulated impairment losses. The amortisation period is reviewed at least at each financial year end. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortisation period or method, as appropriate, and treated as changes in accounting estimates. The amortisation expense on catalysts is recognised in profit or loss.

Catalysts with an estimated life of less than one year are recorded as inventory and expensed when used. Catalysts with an estimated life of more than one year are capitalised and are amortised on a straight-line basis over their useful life between 1 to 12 years.

3.7 Borrowing costs

Borrowing costs are interests and other costs that are incurred in connection with the borrowing of funds. Borrowing costs attributable to acquisition, construction or production of a qualifying assets are capitalized as part of the cost of the asset up to the date the asset is ready and able to be placed into service. The borrowing costs eligible for capitalisation are those costs that would have been avoided if the expenditure on the qualifying asset had not been made. Qualifying asset is an asset that necessarily takes a substantial period of time to get ready for its intended purpose.

Other borrowing costs are expensed in the period in which they are incurred. For the purpose of determining interest available for capitalisation, the costs related to these borrowings are reduced by any investment income realized on the temporary investment of funds from the borrowing. Costs associated with raising the financing are capitalized and amortised to expense as per the effective interest method.

3.8 Government grants

Government grants, including non-monetary grants, are recognised when there is a reasonable assurance that:

(a) The Group will comply with the conditions attaching to them – if any; and
(b) The grants will be received.

Non-monetary government grants such as land and other resources are recorded at nominal amount.

3.9 Investments in joint ventures and associates

Investments in joint ventures

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control. Shareholders advances to joint ventures having the characteristics of equity financing are also included in investment in the consolidated statement of financial position.

Investments in associates

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investees but does not have control or joint control over those entities. Shareholders advances to associates having the characteristics of equity financing are also included in investment in the consolidated statement of financial position.

3. Material accounting policies (continued)

3.9 Investments in joint ventures and associates (continued)

Equity method of accounting

The Group accounts for its investments in joint ventures and associates in its consolidated financial statements using the equity method of accounting.

Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise the Group's share of the post-acquisition profits or losses of the investee in profit or loss, and the Group's share of movements in other comprehensive income of the investee in other comprehensive income. Dividends received from equity accounted investees are recognised as a reduction in the carrying amount of the investment.

When the Group's share of losses in an equity-accounted investment equals or exceeds its interest in the entity, including any other unsecured long-term receivables for which settlement is neither planned nor expected to happen in foreseeable future, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the other entity.

Unrealised gains on transactions between the Group and its equity accounted investees are eliminated to the extent of the Group's interest in these entities. For presentation purpose, the Group has elected to eliminate the unrealised gains from the carrying value of its investment in joint ventures and share of profits from its investment in joint ventures. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of equity accounted investees have been changed where necessary to ensure consistency with the policies adopted by the Group.

3.10 Interests in joint operations

Joint operation is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the assets and obligation for the liabilities, relating to the arrangement. The Group combines its share of each of the assets, liabilities, income and expenses of the joint operation with the similar items, line by line, in its consolidated financial statements. The joint operations are combined from the date of acquisition of joint control until the date on which the Group ceases to have joint control over these joint operations.

3.11 Assets classified as held for sale

Non-current assets and disposal groups are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the asset (or disposal group) is available for immediate sale in its present condition subject only to terms that are usual and customary for sales of such asset (or disposal group) and its sale is highly probable. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification. When the Group is committed to a sale plan involving loss of control of a subsidiary, all of the assets and liabilities of that subsidiary are classified as held for sale when the criteria described above are met.

Events or circumstances may extend the period to complete the sale beyond one year. An extension of the period required to complete a sale does not preclude an asset (or disposal group) from being classified as held for sale if the delay is caused by events or circumstances beyond the entity's control and there is sufficient evidence that the entity remains committed to its plan to sell the asset (or disposal group).

Non-current assets (and disposal groups) classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell.

3. Material accounting policies (continued)

3.12 Inventories

Inventories are measured at the lower of cost and net realizable value. The cost of inventories comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. The cost of crude oil and refined products is the purchase cost (in case of crude oil purchased for refining purpose), the cost of refining, including the appropriate proportion of overheads based on normal operating capacity, determined on a weighted average basis.

Cost of purchase

The costs of purchase of inventories comprise the purchase price, import duties and other taxes, if any (other than those subsequently recoverable by the Group from the taxing authorities), and transport, handling and other cost directly attributable to the acquisition of finished goods, materials and services. Trade discounts, rebates and other similar items are deducted in determining the costs of purchase.

Cost of conversion

The costs of conversion of inventories include costs directly related to the units of production, such as direct labour. They also include a systematic allocation of fixed and variable production overheads that are incurred in converting materials into finished goods. Fixed production overheads are those indirect costs of production that remain relatively constant regardless of the volume of production, such as maintenance of refinery buildings and equipment, and the cost of refinery management and administration. Variable production overheads are those indirect costs of production that vary directly, or nearly directly, with the volume of production, such as indirect materials and indirect labour.

Other costs

Other costs are included in the cost of inventories only to the extent that they are incurred in bringing the inventories to their present location and condition.

Pipeline fill

Hydrocarbons, which are necessary to bring a pipeline into working order, are treated as a part of the related pipeline. This is on the basis that these are not held for sale or consumed in a production process but are necessary to the operation of a facility during more than one operating cycle, and their cost cannot be recouped through sale.

Net realisable value

Net realisable value refers to the net amount that the Group expects to realise from the sale of inventory in the ordinary course of business. It is based on the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

3.13 Foreign currency transactions and translation

Transactions in foreign currencies are translated to the functional currency at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated to the functional currency at the exchange rate at that date.

Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are retranslated to the functional currency at the exchange rate at the date that the fair value was determined. Foreign currency differences arising on retranslation are recognised in profit or loss or other comprehensive income depending on where the fair value is adjusted. Non-monetary items that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction and resulting foreign currency differences are recognised in profit or loss and presented within finance charges.

3. Material accounting policies (continued)

3.13 Foreign currency transactions and translation (continued)

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on acquisition are translated to Qatari Riyals at exchange rates at the reporting date. The income and expenses for each statement of consolidated profit or loss and other comprehensive income are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the rate on the dates of the transactions). Moreover, all resulting exchange differences are recognised in other comprehensive income. Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate. Exchange differences arising are recognised in other comprehensive income.

3.14 Financial instruments

Financial instruments – 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 or minus, 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.

Classification and subsequent measurement of financial assets

On initial recognition, a financial asset is classified as measured at: amortised cost; FVOCI – debt investment; FVOCI – equity investment; or FVTPL.

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

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

– it is held within a business model whose objective is to hold assets to collect contractual cash flows; and

– its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A debt investment is measured at 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 is achieved by both collecting contractual cash flows and selling financial assets; and

– its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

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

3. Material accounting policies (continued)

3.14 Financial instruments (continued)

Classification and subsequent measurement of financial assets (continued)

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

Financial assets – Business model assessment

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

Financial assets – Assessment whether contractual cash flows are solely payments of principal and interest ("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 par amount, a feature that permits or requires prepayment at an amount that substantially represents the contractual par amount plus accrued (but unpaid) contractual interest (which may also include reasonable additional compensation for early termination) is treated as consistent with this criterion if the fair value of the prepayment feature is insignificant at initial recognition.

3. Material accounting policies (continued)

3.14 Financial instruments (continued)

Classification and subsequent measurement of financial assets (continued)

Financial assets – Subsequent measurement and gains and losses

Financial assets at FVTPL

These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.

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.

Debt investments 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.

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 reclassified to profit or loss.

Classification and subsequent measurement of financial liabilities

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

Derecognition

Financial assets

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

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

3. Material accounting policies (continued)

3.14 Financial instruments (continued)

Derecognition (continued)

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.

Interest rate benchmark reform
When the basis for determining the contractual cash flows of a financial asset or financial liability measured at amortised cost changed as a result of interest rate benchmark reform, The Group updated the effective interest rate of the financial asset or financial liability to reflect the change that is required by the reform. A change in the basis for determining the contractual cash flows is required by interest rate benchmark reform if the following conditions are met:

- the change is necessary as a direct consequence of the reform; and
- the new basis for determining the contractual cash flows is economically equivalent to the previous basis - i.e., the basis immediately before the change.

When changes were made to a financial asset or financial liability in addition to changes to the basis for determining the contractual cash flows required by interest rate benchmark reform, the Group first updated the effective interest rate of the financial asset or financial liability to reflect the change that is required by interest rate benchmark reform. After that, the Group applied the policies on accounting for modifications to the additional changes.

Offsetting

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

Impairment of financial assets

The Group recognises a loss allowance for expected credit losses on investments in debt instruments that are measured at amortised cost, due from related parties, loan to related parties, short-term deposits and financial guarantee contracts. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument. The Group always recognises lifetime ECL for trade receivables and lifetime ECL/12-months ECL for loans to related parties. The expected credit losses on these financial assets are estimated using a provision matrix based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

For all other financial instruments, the Group recognises lifetime ECL when there has been a significant increase in credit risk since initial recognition. If, on the other hand, the credit risk on the financial instrument has not increased significantly since initial recognition, the Group measures loss allowance for that financial instrument at an amount equal to 12-month ECL. The assessment of whether lifetime ECL should be recognised is based on significant increases in the likelihood or risk of a default occurring since initial recognition instead of on evidence of a financial asset being credit-impaired at the reporting date or an actual default occurring.

3. Material accounting policies (continued)

3.14 Financial instruments (continued)

Impairment of financial assets (continued)

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

Derivative financial instruments and hedging

The Group uses derivative financial instruments to hedge its foreign currency and interest rate risks. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value at the end of reporting period. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

Any gains or losses arising from changes in the fair value of derivatives are taken directly to profit or loss, except for the effective portion of cash flow hedges, which is recognised in other comprehensive income.

The accounting for subsequent changes in fair value depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged. The Group designates certain derivatives as either:

a) Fair value hedges when hedging the exposure to changes in the fair value of a recognised asset or liability or an unrecognised firm commitment;
b) Cash flow hedges when hedging the exposure to variability in cash flows that is either attributable to a particular risk associated with a recognised asset or liability or a highly probable forecast transaction or the foreign currency risk in an unrecognised firm commitment; and
c) Hedges of a net investment in a foreign operation.

At inception of the hedge relationship, the Group documents the economic relationship between hedging instruments and hedged items including whether changes in the cash flows of the hedging instruments are expected to offset changes in the cash flows of hedged items. The Group documents its risk management objective and strategy for undertaking its hedge transactions. The documentation includes identification of the hedging instrument, the hedged item or transaction, the nature of the risk being hedged and how the entity will assess the effectiveness of changes in the hedging instrument's fair value in offsetting the exposure to changes in the hedged item's fair value or cash flows attributable to the hedged risk. Such hedges are expected to be highly effective in achieving offsetting changes in fair value or cash flows and are assessed on an on-going basis to determine that they actually have been highly effective throughout the financial reporting periods for which they were designated.

Cash flow hedges that qualify for hedge accounting

The effective portion of the gain or loss on the hedging instrument is recognised directly in other comprehensive income in the cash flow hedge reserve, while any ineffective portion is recognised immediately in profit or loss as in finance costs. The Group uses forward currency contracts as hedges of its exposure to foreign currency risk in forecast transactions and firm commitments. The ineffective portion relating to foreign currency contracts is recognised in finance costs.

Amounts accumulated in equity are reclassified in the periods when the hedged item affects profit or loss, as follows:

Where the hedged item subsequently results in the recognition of a non-financial asset (such as inventory), both the deferred hedging gains and losses and the deferred time value of the option contracts or deferred forward points, if any, are included within the initial cost of the asset. The deferred amounts are ultimately recognised in profit or loss as the hedged item affects profit or loss.

3. Material accounting policies (continued)

3.14 Financial instruments (continued)

Derivative financial instruments and hedging (continued)

Cash flow hedges that qualify for hedge accounting (continued)

When a hedging instrument expires, or is sold or terminated, or when a hedge no longer meets the criteria for hedge accounting, any cumulative deferred gain or loss and deferred costs of hedging in equity at that time remains in equity until the forecast transaction occurs, resulting in the recognition of a non-financial asset such as inventory. When the forecast transaction is no longer expected to occur, the cumulative gain or loss and deferred costs of hedging that were reported in equity are immediately reclassified to profit or loss.

Derivatives that do not qualify for hedge accounting

Changes in the fair value of any derivative instrument that does not qualify for hedge accounting are recognised immediately in profit or loss and are included in other gains/(losses).

If the forecast transaction or firm commitment is no longer expected to occur, the cumulative gain or loss previously recognised in equity is transferred to profit or loss. If the hedging instrument expires or is sold, terminated or exercised without replacement or rollover, or if its designation as a hedge is revoked, any cumulative gain or loss previously recognised in other comprehensive income remains in other comprehensive income until the forecast transaction or firm commitment affects profit or loss.

Dividend income

Dividend income is recognised when the Group's right to receive payment is established, which is earlier of when the Group receives the dividends or dividends are approved by the shareholders of the investee companies in the Annual General Assembly.

Interest income and expenses

Interest income and expense for all financial instruments except for those classified as held for trading or those measured or designated as at FVTPL are recognised as 'Interest income' and 'Finance charges', respectively, in profit or loss using the effective interest method. Interest on financial instruments measured as at FVTPL is included within the fair value movement during the period.

3.15 Impairment

Non-financial assets

The Group assesses at each reporting date whether there is an indication that an asset or cash-generating unit (CGU) may be impaired. If any such indication exists, then the asset's recoverable amount is estimated.

For the purpose of the impairment testing, assets are grouped together into the smallest group of assets that independently generate cash inflow (i.e., the cash generating unit or "CGU").

Recoverable amount is the higher of an asset's or CGU's fair value less costs to sell and value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets, in which case, the asset is tested as part of a larger CGU to which it belongs. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset/CGU is considered impaired and is written down to its recoverable amount.

In calculating value in use, the estimated future cash flows are 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/CGU. In determining fair value less costs to sell, recent market transactions are taken into account.

Impairment losses of continuing operations are recognized in profit or loss in expense categories consistent with the function of the impaired asset.

3. Material accounting policies (continued)

3.15 Impairment (continued)

Reversal of impairment loss

The Group assesses at each reporting date whether there is any indication that an impairment loss recognized in prior periods for an asset, may no longer exist or may have decreased. If any such indication exists, the recoverable amount of that asset is estimated.

If the recoverable amount of that asset is higher than the carrying amount, the impairment loss recognized in prior periods are reversed to the extent that the reversal of impairment loss does not exceed the carrying amount of the asset that would have been determined had no impairment loss been recognized for that asset in prior year.

A reversal of an impairment loss for an asset is recognized in profit or loss.

3.16 Cash and cash equivalents

Cash and cash equivalents in the consolidated statement of financial position comprise cash at banks and in hand and short-term bank deposits.

For the purpose of the consolidated statement of cash flows, cash and cash equivalents consist of cash and bank deposits with short-term maturities, net of any outstanding bank overdrafts.

3.17 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 uses the definition of a lease in IFRS 16.

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.

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, plant and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

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

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

3. Material accounting policies (continued)

3.17 Leases (continued)

As a lessee (continued)

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.

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. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term and included under operating, selling and administrative expenses.

As a lessor

At inception 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 their relative stand-alone prices. When the Group acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease.

To classify each lease, the Group makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease. As part of this assessment, the Group considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

The Group applies the derecognition and impairment requirements in IFRS 9 to the net investment in the lease. The Group further regularly reviews estimated unguaranteed residual values used in calculating the gross investment in the lease.

The Group recognises lease payments received under operating leases as income on a straight-line basis over the lease term as part of 'other operating income'.

3.18 Social and sports contribution fund contribution

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

3. Material accounting policies (continued)

3.19 Discontinued operations

A discontinued operation is a component of the Group's business, the operations and cash flows of which can be clearly distinguished from the rest of the Group and which:

- represents a separate major line of business or geographical area of operations;
- is part of a single co-ordinated plan to dispose of a separate major line of business or geographic area of operations; or
- is a subsidiary acquired exclusively with a view to resale.

Classification as a discontinued operation occurs at the earlier of disposal or when the operation meets the criteria to be classified as held-for-sale.

When an operation is classified as a discontinued operation, the comparative consolidated statement of profit or loss and other comprehensive income is re-presented as if the operation had been discontinued from the start of the comparative year.

3.20 Provisions

Provisions are recognised when the group has an obligation (legal or constructive) arising from a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Where the Group expects some or all of a provision to be reimbursed, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain.

The expense relating to any provision is recognized in profit or loss net of any reimbursement except in case of provision for dismantling and decommissioning which are capitalised in property, plant and equipment if the future economic benefits of the related assets will flow to the Group and will be depreciated in line with the respective class of property, plant and equipment. If the effect of time value of money is material, provisions are discounted using a current pre tax rate that reflects, when appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognized as finance cost. Changes in future cash flow estimates from revisions to the estimated timing or amount of undiscounted cash flows, changes in discount and growth rates are dealt prospectively and are recognized as a change in provision and related asset. Additional assets which arise due to further development/construction are recognized as additions or charges to the corresponding assets and decommissioning provision when they occur. The discount rate is reviewed at each reporting date and reflects current market assessments of the time value of money and the risks specific to the liability.

Onerous contracts

An onerous contract provision is recognised when the unavoidable cost of meeting the obligations under the contract exceed the economic benefits expected to be received under it. The unavoidable cost under a contract is the lower of the cost of fulfilling the contract and any compensation or penalties arising from failure to fulfil it. The cost of fulfilling a contract comprises the costs that relate directly to the contract. Before an onerous provision is recognised, the Group first recognises any impairment loss that has occurred on assets dedicated to that contract.

3.21 Revenue recognition

IFRS 15 "Revenue from Contracts with Customers" outlines a single comprehensive model of accounting for revenue arising from contracts with customers. It establishes a new five-step model that applies to revenue arising from contracts with customers.

Step 1: Identify the contract(s) with a customer: A contract is defined as an agreement between two or more parties that create enforceable rights and obligations and sets out the criteria for each of those rights and obligations.

3. Material accounting policies (continued)

3.21 Revenue recognition (continued)

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

Step 3: Determine the transaction price: Transaction price is the amount of consideration to which the entity expects to be entitled to in exchange for transferring the promised goods and services to a customer, excluding amounts collected from 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 entity will allocate the transaction price to each performance obligation in an amount that depicts the consideration to which the entity expects to be entitled in exchange for satisfying each performance obligation.

Step 5: Recognize revenue when (or as) the entity satisfies a performance obligation.

Revenue from contracts with customers is recognised when control of the products or services are transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those products or services.

The Group recognises revenue from the following major sources:

Sale of petroleum and related products

Sale of petroleum and related products includes revenue earned by the Group through the export of regulated products and sale of petroleum and other products for local consumption. Revenue from sale of petroleum and related products is recognized at a point-in-time (when the control is transferred). Control of the petroleum and related products is determined to be transferred to the customer when the title of petroleum and related products passes to the customer, which typically takes place when product is physically transferred into a vessel, pipe or other delivery mechanism.

Sale of products produced as a result of underlying Production Sharing Agreements ("PSAs")

The Group, on behalf of the Government of State of Qatar, has entered into PSAs with Foreign Partners, to facilitate the exploration and production of the petroleum resources of the State of Qatar. Under the terms of the relevant PSAs, the Group is entitled to its participating share in the petroleum products. Revenue from products lifted as a result of PSAs is recognized at a point-in-time when the control of the products transfers from Group to the customers.

Provision of services and sale of non-petroleum products

The Group is engaged in provision of services, such as port services, seawater cooling facility, secondment services, lease, miscellaneous services. Revenue from sale of non-petroleum products and services is recognized at a point-in-time (when the control is transferred) or over time (as and when the control transfers).

Overlift / underlift of crude oil

Overlift or underlift of crude oil occurs when the volume of oil lifted by a partner in a joint arrangement from its participating interest in the production is in excess or short of the allocated amount. Transaction of overlift or underlift creates an obligation for the underlifter to the overlifter. The obligation would be satisfied and revenue recognized by the underlifter when the output is lifted by the overlifter only if:

- overlifter meets the definition of the customer; and
- transaction is not a non-monetary exchange between entities.

The overlifter recognizes revenue when it delivered the output that it actually lifted to its customers.

3. Material accounting policies (continued)

3.21 Revenue recognition (continued)

The initial measurement of the overlift liability or underlift asset is at the market price of crude oil at the date of lifting. Subsequent measurement of overlift / underlift liabilities and assets depends on the settlement terms of the related operating agreements. If such terms allow for a cash settlement of the overlift / underlift balances between the parties, the balances are re-measured at fair value at reporting dates subsequent to initial recognition.

Sales of steel products

The Group manufactures and sells a range of steel products and by-products. Sales of goods are recognised when the Group has delivered products to the customer, the customer has full discretion over the channel and price to sell the products, and there is no unfulfilled obligation that could affect the customer's acceptance of the products.

Delivery does not occur until the products have been shipped to the specified location, the risks of obsolescence and loss have been transferred to the customer, and either the customer has accepted the products in accordance with the sales contract, the acceptance provisions have lapsed or the Group has objective evidence that all criteria for acceptance have been satisfied.

Revenue from sales is measured based on the price specified in the sales contracts, net of the estimated volume discounts and returns at the time of sale. Accumulated experience is used to estimate and provide for the discounts and returns. The volume discounts are assessed based on anticipated annual purchases.

Sale of fertiliser goods

The Group manufactures and sells urea, ammonia and melamine products. Sales of goods are recognised when the Group has delivered products to the customer and there is no unfulfilled obligation that could affect the customer's acceptance of the products. Terms of delivery to customers are specified in the offtake requirements for regulated products. No revenue is recognised if there are significant uncertainties regarding recovery of the consideration due or possible return of goods.

Service and management charges

Service and management charges relate to management of operation of one of the Group's associates while agency commission relates to management of the marketing activities of the same associate. They are recognised in the accounting period in which the services are rendered.

Revenue from drilling and related services

Customers generally contract for an agreement to provide integrated services to operate a rig and drill a well. The Group is seen by the operators as the overseer of all services.

Consideration for activities that are not distinct within the scope of contracts, such as mobilization, and demobilization do not align with a distinct time increment within the contract term are allocated across the single performance obligation and are recognise over the expected recognition period in proportion to the passage of each hour available to drill.

Drilling services are consumed as the services are performed and generally enhance a well site which the customer controls. Work performed on a well site does not create an asset with an alternative use to the contractor since the well/asset being worked on is owned by the customer. Therefore, the Group's measure of progress for a drilling contract is hours available to drill over the contracted duration. This unit of measure is representative of an output method as described in IFRS 15.

Customers are invoiced on a monthly basis and consideration is payable when invoiced.

3. Material accounting policies (continued)

3.21 Revenue recognition (continued)

Helicopter transportation services revenue

The revenue from helicopter transportation services includes air-charter, tourist flights, aerial photo flights, air ambulance and related services. Revenue is recognised as the transportation services have been provided.

Customers are invoiced on a monthly basis and consideration is payable when invoiced.

Revenue from insurance contracts

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

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

Training services

The revenue from training services includes flight training provided to the customers. Revenue is recognised as the services have been provided.

Customers are invoiced on a monthly basis and consideration is payable when invoiced.

Revenue is recognised over time as the services are provided. For fixed-price contracts, revenue is recognised based on the actual service provided to the end of the reporting period as a proportion of the total services to be provided, because the customer receives and uses the benefits simultaneously. This is determined based on the flying hours spent relative to the total hours agreed in the contract.

Operation services (MRO)

The revenue from operation services includes servicing and maintenance of charters and helicopters of the customers. Revenue is recognised as the services have been provided.

Customers are invoiced on a monthly basis and consideration is payable when invoiced.

Supply of spare parts

The Group provides spare parts of helicopters to its customers. The revenue is recognised point in time when control is transferred, being when the spare parts are delivered to the customer.

The revenue is recognised point in time when control is transferred, being when the spare part are delivered to the customer.

Revenue from vehicle inspection, transportation and distribution of refined petroleum products services

Revenue from such services is recongnised upon completion of services as the duration of services is generally short in nature.

Revenue from sale of Petrochemical products

The Group manufactures and sells a range of petrochemical products and by-products. Sales of goods are recognised when the control of the product has transferred upon completion of loading. No revenue is recognised if there are significant uncertainties regarding recovery of the consideration due or possible return of goods.

3. Material accounting policies (continued)

3.21 Revenue recognition (continued)

Revenue from management services

Revenue is recognized over time as the customer obtains the control of management services. Customers obtain control when the management services as specified in the contract are being performed at the customer's premises. The Group recognizes revenue for management services over time as the management services are rendered.

Revenue is recognised over time as the services are provided using the input method. Customers are invoiced on a monthly basis and consideration is payable when invoiced.

3.22 Hyperinflation

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

The basic principles applied in the accompanying consolidated financial statements, are summarized in the following paragraphs.

Adjustment for prior years

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

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

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

Adjustment for current year

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

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

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

3. Material accounting policies (continued)

3.23 Deferred acquisition costs (DAC)

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

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

3.24 Insurance contract liabilities

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

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

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

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

3.25 Capital

Capital is authorised and represented by Government of State of Qatar in accordance with Decree Law No.10 of 1974 (as amended by Law No.5 of 2012 and Law No. 18 of 2021).

3. Material accounting policies (continued)

3.26 Taxes and royalties

Taxes

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

The Group has determined that the global minimum top-up tax – which it is required to pay under Pillar Two legislation – is an income tax in the scope of IAS 12. The Group has applied a temporary mandatory relief from deferred tax accounting for the impacts of the top-up tax and accounts for it as a current when it is incurred.

Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current 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, if any. It is measured using tax rates enacted or substantively enacted at the reporting date. Current tax also includes any tax arising from dividends.

Current tax assets and liabilities are offset only if certain criteria are met.

Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for:

– Temporary differences on the initial recognition of assets or liabilities in a transaction that:
  - is not a business combination; and
  - at the time of the transaction (i) affects neither accounting nor taxable profit or loss (ii) does not give rise to equal taxable and deductible temporary differences;
- Temporary differences related to investments in subsidiaries, associates and joint arrangements to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and
- Taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax assets are recognized for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Future taxable profits are determined based on the reversal of relevant taxable temporary differences. If the amount taxable temporary differences are insufficient to recognize a deferred tax asset in full, then the future taxable profits, adjusted for reversals of existing temporary differences, are considered, based on the business plans for individual subsidiaries in the Group. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized; such reductions are reversed when the probability of future taxable profits improves.

Unrecognised deferred tax assets are reassessed at each reporting date and recognised to the extent that it has become probable that future taxable profits will be available against which they can be used.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantially enacted at the reporting date, and reflects uncertainty related to income taxes, if any.

The Group has determined that interest and penalties related to income taxes, including uncertain tax treatments, do not meet the definition of income taxes, and therefore accounted for them under IAS 37 Provisions, Contingent Liabilities and Contingent Assets.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset only if certain criteria are met.

Royalties

The Group complies with all valid and applicable laws related to royalties issued by the Government of the State of Qatar. Royalties are payable to the Government of State of Qatar. Royalties are applied on export sale of crude oil, refined products and gas including condensate and recorded under operating, selling and administrative expenses. Royalties are deductible for tax calculation purpose.

3. Material accounting policies (continued)

3.27 Dividend distribution

Dividends payable are recognised in the consolidated financial statements in the period in which these are approved by the Board of Directors. However, if these are approved after the reporting period but before the consolidated financial statements are authorised for issue, they are disclosed in the notes to these consolidated financial statements.

3.28 Post-employment benefit plans

Defined contribution plan

QatarEnergy and certain entities in the Group have a defined contribution plan for the Qatari national employees (who joined on or after 5 March 2003) and other GCC national employees. In case of Qatari employee, QatarEnergy and those entities contribute as pension, 10% of salary on behalf of the employee and the employee contributes 5%, and therefore a total 15% is remitted to the Government Pension Fund in accordance with the requirements of Law No 24 of 2002 (as amended) pertaining to Retirement and Pensions.

In case of other GCC nationals, QatarEnergy and other GCC employees contribute at specified rates which are then remitted to Government pension fund. Under this Law and QatarEnergy's policy, QatarEnergy and those entities do not have any legal or constructive obligation to pay future pension to those employees and hence QatarEnergy and those entities' obligations are limited to their contributions paid to Government Pension Fund which are expensed when due.

Defined benefit plans

A defined benefit plan is a pension plan that is not a defined contribution plan.

The liability recognized in the consolidated statement of financial position in respect of defined benefit plans should be the present value of the defined benefit obligation at the end of the reporting period. The defined benefit obligation is calculated annually using the projected unit credit method.

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms approximating to the terms of the related obligation. When no deep market in such bonds exists, the market rates on government bonds are used.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised, when material, in the period in which they occur, directly in other comprehensive income. They are included in 'defined benefits obligations remeasurement reserve' within equity.

The Group maintains two defined benefit plans as follows:

Qatari pension scheme

QatarEnergy and certain entities in the Group provide a defined benefit plan for the Qatari national employees who retired before 5 March 2003. Under this plan, QatarEnergy and those entities pay a monthly pension to those employees until death. The defined benefit plan is valued at each reporting date by professionally qualified independent actuaries. The pension liability recognised in the consolidated statement of financial position represents the present value of the defined benefit obligation based on the actuarial valuations.

Employees' end of services benefits
Employees' end of services benefits represents terminal gratuities and are provided for services rendered in accordance with entitlements stipulated in the employees' contract, QatarEnergy policy and/or Qatar Labour Law number 14 of 2004. This plan is for Qatari and non-Qatari employees. The employees' end of services benefits liability is valued at each reporting date by professionally qualified independent actuaries. The employees' end of services benefits liability recognised in the consolidated statement of financial position represents the present value of the employees' end of services benefits obligation based on the actuarial valuations.

3. Material accounting policies (continued)

3.29 Segment Reporting

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

3.30 Events after the reporting date

Post year-end events that provide additional information about the Group's position at the reporting date (adjusting events) are reflected in these consolidated financial statements. Post year-end events that are not adjusting events are disclosed in these consolidated financial statements, when they are material.

4. Critical judgments and key sources of estimation uncertainty

In preparing these consolidated financial statements, management is required to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent 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 on-going basis. Revisions to accounting estimates are recognised 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 periods.

4.1 Critical judgments in applying accounting policies

The following are the critical judgments, apart from those involving estimations, that management has made in the process of preparation of these consolidated financial statements and that have the most significant effect on the amounts recognised in these consolidated financial statements:

(i) Classification of investments in subsidiaries

The Group has classified its investments in Qatar Fuel Company ("Woqod") and Gulf International Services ("GIS") as subsidiaries. By virtue of the powers under the terms of the incorporation documents of these entities, the Group is in a position to exercise control over the relevant activities of these entities. Accordingly, the Group has classified these investments as investments in subsidiaries.

(ii) Assumptions to determine the carrying amount of the defined benefit obligation

The Group's defined benefit obligation (under Qatari pension scheme and employees end of service benefits) is based on the following:

- Discounted at a rate set by reference to market yields at the end of the reporting period on high quality corporate bonds. Significant judgment is required when setting the criteria for bonds to be included in the population from which the yield curve is derived. The most significant criteria considered for the selection of bonds include the issue size of the bonds, quality of the bonds and the identification of outliners which are excluded.

- Pension / salary increase rate reflects the management's view on long term pension / salary increases.

- Post retirement mortality is based on best estimate of the future life expectancy of pensioners and their dependent. Management intends to keep the mortality assumption under review to take account of new research or scheme experience where credible.

- Turnover rate reflects the management's view on employee's turnover.

- Retirement life of both males and females has been assumed to be 60 years.

4. Critical judgments and key sources of estimation uncertainty (continued)

4.1 Critical judgments in applying accounting policies (continued)

(iii) Exploration and evaluation expenditure

The Group's accounting policy for exploration and evaluation expenditure results in certain items of expenditure being capitalized for an area of interest where it is considered likely to be recoverable by future exploitation or sale or where the activities have not reached a stage which permits a reasonable assessment of the existence of reserves.

This policy requires management to make certain estimates and assumptions as to future events and circumstances, in particular whether an economically viable extraction operation can be established. Any such estimates and assumptions may change as new information becomes available. If, after having capitalized the expenditure under the policy, a judgment is made that recovery of the expenditure is unlikely, the relevant capitalized amount will be written-off to profit or loss.

(iv) Development costs

Development activities commence after project sanctioning by the appropriate level of management. Judgment is applied by the management in determining when a project is economically viable. In exercising this judgment, management is required to make certain estimates and assumptions similar to those described above for capitalized exploration and evaluation expenditure. Any such estimates and assumptions may change as new information becomes available. If, after having commenced development activity, a judgment is made that a development asset is impaired, the appropriate amount will be written-off to profit or loss.

(v) Decommissioning liabilities

The Group has recognized certain provisions for the future costs of decommissioning as outlined in Note 24(a). Based on management's current assessment, a provision has been made in these consolidated financial statements. The amount of the provision recognized is the present values of the estimated future expenditures. Actual costs are uncertain, and estimates can vary as a result of changes in the scope of the project, advancement in technology and the relevant laws and regulations.

Further, management has assessed that no other decommissioning liabilities exist as at the reporting date since there is no legal or constructive obligation on the Group with respect to decommissioning, except for those recognized in the consolidated financial statements.

(vi) Revenue recognition

Satisfaction of performance obligations

The Group is required to assess each of its contracts with customers to determine whether performance obligations are satisfied over time or at a point in time in order to determine the appropriate method of recognizing revenue. For sale of goods and rendering of services, revenue is recognized by the Group at a point in time when the control is transferred to the customer and over time when the customer is consuming the benefits as and when the control is being transferred.

Determination of transaction price

The Group is required to determine the transaction price in respect of each of its contracts with customers. In making such judgement, the Group assesses the impact of any variable consideration in the contract, due to true up adjustments, discounts and bonus payments. In determining the impact of variable consideration, the Group uses the "expected-value" method whereby the transaction price is determined by reference to a sum of probability weighted amounts.

Allocate the transaction price to the performance obligations in the contract

The Group is required to allocate the transaction price to each performance obligation in an amount that depicts the consideration to which the Group expects to be entitled in exchange for satisfying each performance obligation. For contracts that have more than one performance obligation, the Group is required to allocate the

4. Critical judgments and key sources of estimation uncertainty (continued)

4.1 Critical judgments in applying accounting policies (continued)

(vi) Revenue recognition (continued)

Allocate the transaction price to the performance obligations in the contract (continued)

transaction price between the identified performance obligations under the contracts on a relative separate selling price basis. In determining the stand-alone selling price of each performance obligation, if it is not directly observable, the Group estimates it considering all information (including market conditions, entity-specific factors and information about the customer or class of customer) that is reasonably available to the Group.

(vii) PSAs entered on behalf of the Government

QatarEnergy is a party to the Production sharing agreements (“PSAs”) agreements with the contractors as the representative of the Government of State of Qatar. The Group has determined that it is acting as the principal in relation to these agreements and accordingly, all the assets, rights and obligations arising from these agreements are assessed by the Group and accounted for in these consolidated financial statements.

QatarEnergy has determined that it has full control over the operations of some PSAs (“Full Controlled Operations”) while some PSAs are jointly controlled by QatarEnergy with foreign partners (“Joint Operations”) under the terms of PSAs. Under Full Controlled Operations, full revenue, expenses, assets and liabilities of the operations are recorded in the consolidated financial statements. In case of Joint Operations, those PSAs are accounted for in accordance with accounting policy mentioned in Note 3.10.

(viii) Taxes paid on behalf

The Group has various fiscal regimes and arrangements whereby income tax is being assumed, paid and discharge by QatarEnergy on behalf of the contractors and joint venture partners to the tax authorities. These taxes are calculated based on the PSA and other agreements with the contractors and joint venture partners. These taxes represent the cost of revenue for the PSA transaction. Accordingly, the Group is accounting for these taxes as an operating expense.

(ix) Taxes on crude oil, refined products, gas and condensates

Management believes that the Group is liable to pay taxes to the State of Qatar on export income of certain products based on the communications received from the Government and the established past practises of the Group notwithstanding any provisions in the general income tax law. In calculating the tax expense, management is required to make certain estimates and assumptions related to the products that would be subject to taxes as well as the allowable expenses to be deducted from the revenue of such products.

(x) Transactions with Government of Qatar

QatarEnergy enters into various transactions with Government of Qatar. These transactions are entered with Ministry of Finance (“MOF”) where MOF acts on behalf of Government of Qatar. Since QatarEnergy is a state-owned public corporation, the management, depending on the nature of the transaction, considers transactions with MOF as either the transaction with Government or the representative of the shareholder.

(xi) Acquisition of interest in Qatex Limited

During the period, QatarEnergy acquired remaining 49% of the equity from other partners making Qatex Limited a wholly owned subsidiary of QatarEnergy. Management has performed an assessment of this acquisition from a market participant's perspective based on the facts and conditions on the date of acquisition. As per the assessment, main components like “Land to operate the business” and “contract with customer” are not available to Qatex Limited. Finally, management has determined based on the state and conditions as of acquisition date, even if any market participant would be capable of acquiring these assets and integrating these into its own business to create outputs, the acquired set is not a business because it is not relevant whether or not a market participant would be able to replace missing processes elements. Accordingly, it is concluded that the acquired set of assets is not a business.

4. Critical judgments and key sources of estimation uncertainty (continued)

4.1 Critical judgments in applying accounting policies (continued)

(xii) Classification of cash flow hedge

Classification of cash flow hedge is identified based on exposure to variability in cash flows that is either attributable to a particular risk associated with a recognised asset or liability or a highly probable forecast transaction or the foreign currency risk in an unrecognised firm commitment. At the inception of a hedge relationship, the Group formally designates and documents the hedge relationship to which the Group wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge. The documentation includes identification of the hedging instrument, the hedged item or transaction, the nature of the risk being hedged and how the entity will assess the effectiveness of changes in the hedging instrument's fair value in offsetting the exposure to changes in the hedged item's fair value or cash flows attributable to the hedged risk. Such hedges are expected to be highly effective in achieving offsetting changes in fair value or cash flows and are assessed on an on-going basis to determine that they actually have been highly effective throughout the financial reporting periods for which they were designated.

(xiii) 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 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.

(xiv) Tax

Tax matters of the Group's certain subsidiaries, associates and joint ventures are governed by the Joint Venture Agreements ("JVA"). Any tax clauses agreed under a joint venture agreement ("JVA") and approved by MOF / The General Tax Authority ("GTA") will take precedence over the Qatar tax law.

It has been agreed by the parties to certain joint venture agreements, that each party is responsible for its own tax and therefore, the foreign shareholder's share of profits is adjusted for 100% of the tax payable to GTA.

In addition, a Memorandum of Understanding (MoU) was concluded on 4 February 2020 between QatarEnergy, Qatar Electricity and Water Company Q.P.S.C. ("QEWC"), GTA and MOF, where MOF agreed to bear tax on behalf of the listed entities mentioned in the MoU. According to MoU, certain subsidiaries and joint ventures make payments to GTA for the taxes due on the share of foreign shareholders and make payments to the listed company in amounts equal to assumed tax on the listed company's share.

When it is virtually certain that the foreign shareholders of the Group's joint ventures compensate the venture for their share of the results in the respective joint ventures, a tax indemnity is recognised as a tax reimbursement asset in the financial statements of the joint ventures.

The management of the Group assessed that no further tax liability exists on the Group beyond what is recorded and remitted to GTA.

(*xv) Lease liabilities*

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

4. Critical judgments and key sources of estimation uncertainty (continued)

4.1 Critical judgments in applying accounting policies (continued)

(xvi) Classification of loans to equity accounted investees

The Group has provided interest-bearing loans to associates and joint ventures. The proceeds of the loans are used by the associate for general working capital requirements and by the joint venture to lend it to its joint venture. Management has assessed that these loans are financial assets as the intention in providing the loan is to recover the full amount of loan in accordance with the terms of the agreement. Management presents portion of the loan as current based on the projected cash flows of associates/joint ventures or contractual repayments for the next 12 months after the reporting period.

(xvii) Classification of projects under development

This represents cash advances made by the Group on various projects under development. The Group has classified these cash advances as other non-current assets as these assets are not held for use in the Group's own operations. The economic benefits from these assets can be derived through various ways and the final decision in terms of structuring of operations of these projects will be determined upon completion of relevant projects.

(xviii) Acquisition of interest in oil and gas fields / blocks

The Group entered into a production sharing agreement, where the group shared ownership in a number of oil and gas fields / blocks in various countries with other partners.

Management conducted an assessment of the transaction, based on IFRS 3, to determine whether the transaction is a business combination or an asset acquisition and concluded that the transaction is an asset acquisition, as agreement does not comprise the acquisition of workforce, processes, systems among others.

(xix) Functional currency of subsidiary

The Group applies significant judgment to determine the functional currency of one of its subsidiaries which operates in Turkey (Redstar Havacilik Hizmetleri A.S). In its judgment, the Group considers the currency of the country whose competitive forces and regulations mainly determine the sales prices of its goods and services and the currency that mainly influences labour, material and other costs of providing goods or services.

The Group has concluded based on its assessment that Turkish Lira is the functional currency of its subsidiary Redstar Havacilik Hizmetleri A.S.

(xx) Insurance risk

The Group issues insurance contracts that transfer insurance risk. Insurance contracts are those contracts where the insurer accepts significant insurance risk from the policyholder by agreeing to compensate the policyholder if a specified uncertain future event adversely affects the policyholder. In making this assessment, all substantive rights and obligations, including those arising from law or regulation, are considered on a contract-by-contract basis. The Group uses judgement to assess whether a contract transfers insurance risk (that is, if there is a scenario with commercial substance in which the Group has the possibility of a loss on a present value basis) and whether the accepted insurance risk is significant.

(xxi) Assets classified as held for sale

The Group has classified its investments in joint ventures and joint operations as held for sale assets. Management has assessed that the carrying amount of these investment will be recovered principally through a sale transaction rather than through continuing use. An impairment loss of QR 619.14 million (2022: Nil) was recognized on remeasurement of assets held for sale (Note 11.1(b)).

4. Critical judgments and key sources of estimation uncertainty (continued)

4.1 Critical judgments in applying accounting policies (continued)

(xxii) Discontinued operations

The Group has classified a subsidiary and its investment in joint ventures as discontinued operation as the subsidiary represented the Group's catering segment and these joint ventures are component of the Group's business, the operations and cash flows of which can be clearly distinguished from the rest of the Group and they represent a separate geographic area of operations (Note 11.2).

4.2 Key sources of estimation uncertainty

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

(i) Estimation of oil and gas reserves

Proved Reserves are those quantities of petroleum that, by analysis of geoscience and engineering data, can be estimated with reasonable certainty to be commercially recoverable from known reservoirs and under defined technical and commercial conditions. If deterministic methods are used, the term "reasonable certainty" is intended to express a high degree of confidence that the quantities will be recovered. If probabilistic methods are used, there should be at least a 90% probability that the quantities actually recovered will equal or exceed the estimate. The Group estimates its reserves and resources based on information compiled by appropriately qualified persons relating to the geological and technical data on the size, depth, volume of the reservoir, quality of the hydrocarbon fluid and suitable production techniques and recovery rates. Reserves are determined using estimates of oil and gas in place, recovery factors and future commodity prices.

The Group forecasts reserves based on technical assessment and economic limit test, in addition to and with respect to end of remaining useful life of each asset facility. Future development costs are estimated using assumptions as to the number of wells required to produce the reserves, the cost of such wells and associated production facilities, and other capital costs. Within the inclusion of future development, the Group considers commerciality of the projected reserve profiles in their assessment. Reserves are most sensitive in these assets to end of field life facilities limitations that the Group has forecast on each asset. With capital investment, the Group fully expects that these dates will be extended and provide added value, but this has not been considered in the forecast of the Proved Reserves. Reserves are also very sensitive to continued development / investment, operational limitations, and price volatility. The long-term Brent oil price assumption used in the estimation of commercial reserves is per management's forecast. The carrying amount of oil and gas properties at 31 December 2023 amounted to QR 35,400 million (2022: QR 35,605 million) (Note 5(a)).

As the economic assumptions used may change and as additional geological information is obtained during the operation of a field, estimates of recoverable reserves may change. Such changes may impact the Group's reported consolidated financial position and results, which include:

- The carrying value of exploration and evaluation assets, oil and gas properties (Note 5(a)) and licenses included in intangible assets (Note 6);
- Depreciation and amortisation charges in profit or loss may change where such charges are determined using the UOP method, or where the useful life of the related assets change (Note 29).

(iv) Impairment of non-financial assets

Impairment assessment is an area involving management judgment, requiring assessment as to whether the carrying value of assets can be supported by the net present value of future cash flows derived from such assets using cash flow projections which have been discounted at an appropriate rate. For the purpose of the impairment testing, assets are grouped together into CGU. In calculating value in use, certain assumptions are required to be made in respect of highly uncertain matters including the estimated future cash flows that are 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/CGU.

4. Critical judgments and key sources of estimation uncertainty (continued)

4.2 Key sources of estimation uncertainty (continued)

(ii) Impairment of non-financial assets (continued)

The Group's management tests annually whether there are any indicators that non-financial assets (other than inventory) may be impaired in accordance with accounting policies stated in Note 3 to the consolidated financial statements. If indication exists, the recoverable amount of the asset or a CGU is determined based on the higher of fair value less costs to sell or value-in-use method which uses estimated cash flow projections over the estimated useful life of the asset discounted using market rates.

In calculating the net present value of the future cash flows, certain assumptions are required to be made in respect of highly uncertain matters, including management's expectations of:

- growth in earnings before interest, tax, depreciation and amortization ("EBITDA"), calculated as adjusted operating profit before depreciation and amortization;
- long term growth rates; and
- the selection of discount rates to reflect the risks involved.

The Group prepares detailed long-term plans for its investments which are reflected in the financial models of these investments. These plans are reviewed and approved by the Group's management and are subsequently used as the basis for its impairment reviews. In estimating the value in use, the Group uses financial models which are regularly reviewed and updated over the operating period of the investment. As part of the review process, management challenges and reassess the validity of the underlying assumptions of these financial models. During the year, the Group has reassessed the impairment on its investments in Laffan Refinery Company Limited ("LR") and recognized an impairment loss of QR 234 million (2022: Nil).

Further, the Group has recognised impairment loss of QR 276.20 million (2022: QR 3.62 million) on its other non-financial assets (Note 28(iii)). Management considered that there are no indicators for impairment identified against remaining non-financial assets.

(iii) Useful lives of property, plant and equipment

The Group's management determines the estimated useful lives of its property, plant and equipment for calculating depreciation. This estimate is determined upon a consideration of the expected usage of the asset, physical wear and tear and technical or commercial obsolescence. In case of assets depreciated at unit of production basis, an estimate is made on the future expected hydrocarbon production throughout the remaining life of the asset.

The life of each item, which is assessed at least annually, has regard to both its physical life limitations and present assessments of economically recoverable reserves of the field at which the asset is located. These calculations require the use of estimates and assumptions, including the amount of recoverable reserves and estimates of future capital expenditure. The calculation of the UOP rate of depreciation / amortisation will be impacted to the extent that actual production in the future is different from current forecast production based on total proved reserves, or future capital expenditure estimates change. Changes to proved reserves could arise due to changes in the factors or assumptions used in estimating reserves, including:

- The effect on proved reserves of differences between actual commodity prices and commodity price assumptions; and
- Unforeseen operational issues.

(iv) Useful lives of intangible assets

The Group's management determines the estimated useful lives of its intangible assets for calculating amortization. This estimate is determined upon a consideration of the expected usage of the intangible asset and technical or commercial obsolescence.

(v) Impairment of project preliminary and pre-incorporation expenses

Project preliminary and pre-incorporation expenses are incurred by the Group in respect of a prospective subsidiary/joint venture companies in which the Group has or intends to acquire interest in. On a regular basis, the Group management performs assessment and reviews the recoverability and feasibility of these projects.

4. Critical judgments and key sources of estimation uncertainty (continued)

4.2 Key sources of estimation uncertainty (continued)

(vi) Fair value measurements

The Group's investments in financial assets at FVOCI, financial assets at FVTPL and foreign currency swaps are measured at fair value for financial reporting purposes. In estimating the fair value of an asset or a liability, the Group uses market-observable data to the extent available. Information about the valuation techniques and inputs used in determining the fair value of various assets and liabilities are disclosed in Note 35.

(vii) Provision for inventories

Inventories are held at the lower of cost and net realizable value. When inventories become old or obsolete, an estimate is made of their net realizable value ("NRV"). NRV for crude oil, gas and refined products is calculated based on their estimated selling prices in the ordinary course of business less the estimated costs to sell. Provision for obsolescence for maintenance and other materials is based on inventory type and ageing.

(viii) Financial instruments

Definition of default

Critical to the determination of ECL is the definition of default. The definition of default is used in measuring the amount of ECL and in the determination of whether the loss allowance is based on 12-month or lifetime ECL, as default is a component of the probability of default (PD) which affects both the measurement of ECLs and the identification of a significant increase in credit risk.

The definition of default is appropriately tailored to reflect different characteristics of different types of assets.

For certain categories of financial assets, such as trade receivables, assets that are assessed not to be impaired individually are in addition, assessed for impairment on a collective basis. Objective evidence of impairment for a portfolio of receivables could include the Group's past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period of 30 days, as well as observable changes in national or local economic conditions that correlate with default on receivables.

Significant increase in credit risk

The Group monitors all financial assets and financial guarantee contracts that are subject to the impairment requirements to assess whether there has been a significant increase in credit risk since initial recognition. If there has been a significant increase in credit risk, the Group will measure the loss allowance based on lifetime rather than 12-month ECL. The Group's accounting policy is not to use the practical expedient that financial assets with 'low' credit risk at the reporting date are deemed not to have had a significant increase in credit risk. As a result, the Group monitors all financial assets and financial guarantee contracts that are subject to impairment for significant increase in credit risk.

In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial instrument at the reporting date based on the remaining maturity of the instrument with the risk of a default occurring that was anticipated for the remaining maturity at the current reporting date when the financial instrument was first recognized.

In making this assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort, based on the Group's historical experience and expert credit assessment including forward-looking information.

Multiple economic scenarios form the basis of determining the probability of default at initial recognition and at subsequent reporting dates. Different economic scenarios will lead to a different probability of default. It is the weighting of these different scenarios that forms the basis of a weighted average probability of default that is used to determine whether credit risk has significantly increased.

4. Critical judgments and key sources of estimation uncertainty (continued)

4.2 Key sources of estimation uncertainty (continued)

(viii) Financial instruments (continued)

Significant increase in credit risk (continued)

Given that a significant increase in credit risk since initial recognition is a relative measure, a given change, in absolute terms, in the PD will be more significant for a financial instrument with a lower initial PD than compared to a financial instrument with a higher PD.

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

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

Probability of default constitutes a key input in measuring ECL. Probability of default 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.

(ix) Abandonment of wells and decommissioning of area

The Group has recognized certain provisions for the future costs of decommissioning as outlined in Note 24(a). Based on management's current assessment, a provision has been made in these consolidated financial statements. The amount of the provision recognized is the present values of the estimated future expenditures. The estimation of the future expenditures has been prepared in accordance with good international petroleum practices and is based on current local conditions and requirements, including legal requirements, technology, price levels, etc. for the respective facility generally within the typical range of a Class (3 to 4), Study, and Feasibility estimate. Actual costs are uncertain, and estimates can vary as a result of changes in the scope of the project, advancement in technology and the relevant laws and regulations. In addition to these factors, the present values of these estimated future expenditures are also impacted by the estimation of the useful lives of the facilities and estimate of discount and inflation rates. The inflation and discount rates used in the determination of the decommissioning liability ranges from 2% - 3.5% (2022: 2% - 3.5%) and 5% - 9.25% (2022: 3.5% - 8%) respectively.
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(x) Estimates of future cash flows to fulfil insurance contracts

In estimating future cash flows, the Group incorporates, in an unbiased way, all reasonable and supportable information that is available without undue cost or effort at the reporting date. This information includes both internal and external historical data about claims and other experiences, updated to reflect current expectations of future events. The estimates of future cash flows reflect the Group view of current conditions.

In estimating future cash flows, the Group incorporates, in an unbiased way, all reasonable and supportable information that is available without undue cost or effort at the reporting date. This information includes both internal and external historical data about claims and other experiences, updated to reflect current expectations of future events. The estimates of future cash flows reflect the Group view of current conditions at the reporting date, as long as the estimates of any relevant market variables are consistent with observable market prices.

When estimating future cash flows, the Group takes into account current expectations of future events that might affect those cash flows. However, expectations of future changes in legislation that would change or discharge a present obligation or create new obligations under existing contracts are not taken into account until the change in legislation is substantively enacted. The Group also derives cost inflation assumptions. Cash flows within the boundary of a contract relate directly to the fulfilment of the contract, including those for which the Group has discretion over the amount or timing. These include payments to (or on behalf of) policyholders, insurance acquisition cash flows and other costs that are incurred in fulfilling contracts.

4. Critical judgments and key sources of estimation uncertainty (continued)

4.2 Key sources of estimation uncertainty (continued)

(x) Estimates of future cash flows to fulfil insurance contracts (continued)

Insurance acquisition cash flows arise from the activities of selling, underwriting and starting a group of contracts that are directly attributable to the portfolio of contracts to which the group belongs. Other costs that are incurred in fulfilling the contracts include claims handling, maintenance and administration costs, and recurring commissions payable on instalment premiums receivable within the contract boundary. Insurance acquisition cash flows and other costs that are incurred in fulfilling contracts comprise both direct costs and an allocation of fixed and variable overheads. Cash flows are attributed to acquisition activities, other fulfilment activities and other activities at local entity level using activity- based costing techniques. Cash flows attributable to acquisition and other fulfilment activities are allocated to groups of contracts using methods that are systematic and rational and are consistently applied to all costs that have similar characteristics. Other costs are recognised in profit or loss as they are incurred.

Where estimates of expenses-related cash flows are determined at the portfolio level or higher, they are allocated to groups of contracts on a systematic basis. The Group has determined that this method results in a systematic and rational allocation. Similar methods are consistently applied to allocate expenses of a similar nature. The Group performs regular expense studies to determine the extent to which fixed and variable overheads are directly attributable to fulfill the insurance contracts.

(xi) Risk adjustment

Because the risk adjustment represents compensation for uncertainty, estimates are made on the degree of diversification benefits and expected favourable and unfavourable outcomes in a way that reflects the Group's degree of risk aversion. The Group estimates an adjustment for non-financial risk separately from all other estimates.

As at and for the year ended 31 December 2023 QR '000

5(a). Property, plant and equipment

	Oil and gas assets	Other property, plant and equipment	Exploration and evaluation assets	Capital work-in-progress	Total
Cost:					
At 1 January 2022	83,435,415	223,662,125	5,531,486	26,947,817	339,576,843
Additions	4,803,270	4,021,786	2,384,999	8,376,423	19,586,478
Asset acquisition	16,643,968	497,969	-	27,704	17,169,641
Reclassification / transfers (Note ii)	2,108,182	11,416,083	(1,163,134)	(9,538,728)	2,822,403
Effect of foreign currency translation	7,439	(29,779)	23,910	(581)	989
Derecognition / disposal (Note iii)	(31,857)	(1,016,482)	(481,100)	(314,952)	(1,844,391)
Effect of hyperinflation	-	86,346	-	2,443	88,789
At 31 December 2022	106,966,417	238,638,048	6,296,161	25,500,126	377,400,752
Additions	1,057,161	975,705	5,082,826	10,351,118	17,466,810
Asset / business acquisition (Note v)	-	696,940	-	750	697,690
Reclassification / transfers (Note ii)	3,140,957	2,605,654	(172,759)	(4,762,266)	811,586
Effect of foreign currency translation	683,315	(52,040)	94,433	(4,542)	721,166
Derecognition / disposal (Note iii)	(189,298)	(744,169)	(1,687,029)	(88,735)	(2,709,231)
Effect of hyperinflation	-	72,590	-	-	72,590
Transfer to asset held for sale (Note 11.1(a))	(2,268,764)	(406,270)	-	-	(2,675,034)
Other adjustments	-	(75,523)	-	-	(75,523)
At 31 December 2023	**109,389,788**	**241,710,935**	**9,613,632**	**30,996,451**	**391,710,806**
Accumulated depreciation:					
At 1 January 2022	50,621,108	85,301,240	-	-	135,922,348
Reclassification / transfers (Note ii)	445,001	(445,001)	-	-	-
Asset acquisition	16,643,968	497,969	-	-	17,141,937
Charge for the year (Note 29)	3,600,163	8,771,941	-	-	12,372,104
Impairment for the year (Note iv)	-	2,285	-	-	2,285
Effect of foreign currency translation	81,390	623	-	-	82,013
Derecognition / disposal (Note iii)	(30,636)	(815,355)	-	-	(845,991)
Effect of hyperinflation	-	18,479	-	-	18,479
At 31 December 2022	71,360,994	93,332,181	-	-	164,693,175
Reclassification / transfers (Note ii)	18	(18)	-	-	-
Asset / business acquisition (Note v)	-	351,783	-	-	351,783
Charge for the year (Note 29)	4,018,894	7,828,648	-	-	11,847,542
Impairment / (reversal of impairment) for the year (Note iv)	819,051	(542,884)	-	-	276,167
Effect of foreign currency translation	146,600	(7,270)	-	-	139,330
Derecognition / disposal (Note iii)	(173,607)	(658,634)	-	-	(832,241)
Effect of hyperinflation	-	15,756	-	-	15,756
Transfer to asset held for sale (Note 11.1(a))	(2,182,480)	(167,774)	-	-	(2,350,254)
At 31 December 2023	**73,989,470**	**100,151,788**	**-**	**-**	**174,141,258**
Net carrying amount:					
At 31 December 2023	**35,400,318**	**141,559,147**	**9,613,632**	**30,996,451**	**217,569,548**
At 31 December 2022	35,605,423	145,305,867	6,296,161	25,500,126	212,707,577

As at and for the year ended 31 December 2023 QR '000

5(a). Property, plant and equipment (continued)

Notes:

(i) Included in property, plant and equipment is the Group's share of property, plant and equipment from its joint operations amounting to QR 85,940 million (2022: QR 86,342 million). This consists of QR 14,015 million (2022: QR 13,658 million) for oil and gas assets, QR 63,967 million (2022: QR 66,746 million) for other property, plant and equipment), QR 6,965 million (2022: QR 4,899 million) for exploration and evaluation assets and QR 993 million (2022: QR 1,039 million) for capital work-in-progress.

(ii) In 2023, out of the net balance of QR 812 million (2022: QR 2,822 million), an amount of QR 196 million (2022: QR 1,296 million) pertains to the transfer to intangible assets (Note 6), QR 19 million (2022: (QR 13 million)) pertains to the transfer from / (to) investment property (Note 5(c)), QR 989 million (2022: QR 4,068 million) pertains to the transfer from other non-current assets (project under development) (Note 10(b)) and Nil (2022: QR 63 million) pertains to transfer from related party.

(iii) Out of the total amount derecognized during the year, the Group has written-off assets aggregating to QR 1,689 million (2022: QR 785 million) (Note 28) and transferred assets having net book value of QR 9.63 million (2022: Nil) to discontinued operations (Note 11.2(a)).

(iv) During the year, the Group has recorded an impairment net of reversal of QR 276.17 million (2022: QR 2.28 million) against property, plant and equipment (Note 28(iii)).

(v) Out of total amount of assets and business acquired during the year QR 0.87 million relates to assets acquisition (Note 37.1) and QR 345.04 million relates to business acquisition (Note 37.2).

5(b). Right-of-use assets

	Land & buildings	**Vehicles and mobile equipment**	**Vessels**	**Others**	**Total**
Costs:					
At 1 January 2022	361,033	253,851	2,980,612	270,958	3,866,454
Additions (Note 22)	192,802	1,338	2,338,436	1,181,945	3,714,521
Asset acquisitions	-	-	4,681,399	-	4,681,399
Lease modifications and other movements (i)	(119,063)	(88,231)	(5,021,765)	(35,273)	(5,264,332)
Effect of foreign currency translation	-	-	-	(19,860)	(19,860)
At 31 December 2022	434,772	166,958	4,978,682	1,397,770	6,978,182
Additions (Note 22)	72,653	26,905	1,792,902	127,668	2,020,128
Business acquisitions (Note 37.2)	7,954	-	-	-	7,954
Transfer to asset held for sale (Note 11.1(a))	-	-	-	(129,760)	(129,760)
Lease modifications and other movements (i)	(35,090)	-	(172,635)	(302,839)	(510,564)
Effect of foreign currency translation	-	-	-	100,235	100,235
At 31 December 2023	**480,289**	**193,863**	**6,598,949**	**1,193,074**	**8,466,175**
Accumulated depreciation:					
At 1 January 2022	156,364	164,487	1,497,409	149,720	1,967,980
Depreciation for the year (ii)	129,686	42,908	651,024	69,189	892,807
Asset acquisitions	-	-	4,046,246	-	4,046,246
Lease modifications and other movements (i)	(111,955)	(88,204)	(5,028,189)	(32,568)	(5,260,916)
Effect of foreign currency translation	-	-	-	(20)	(20)
At 31 December 2022	174,095	119,191	1,166,490	186,321	1,646,097
Depreciation for the year (ii)	130,413	44,901	1,117,046	102,483	1,394,843
Business acquisitions (Note 37.2)	2,165	-	-	-	2,165
Transfer to asset held for sale (Note 11.1(a))	-	-	-	(49,496)	(49,496)
Lease modifications and other movements (i)	(22,179)	(1,903)	(172,631)	(82,021)	(278,734)
Effect of foreign currency translation	-	-	-	4,942	4,942
At 31 December 2023	**284,494**	**162,189**	**2,110,905**	**162,229**	**2,719,817**
Net carrying amount:					
At 31 December 2023	**195,795**	**31,674**	**4,488,044**	**1,030,845**	**5,746,358**
At 31 December 2022	260,677	47,767	3,812,192	1,211,449	5,332,085

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5(b). Right-of-use assets (continued)

(i) This includes write-off of right-of-use assets amounting to Nil (2022: QR 0.03 million) and lease modifications which resulted in derecognition of right-of-use assets and lease liabilities of QR 230.36 million (2022: QR 3.39 million) and QR 230.36 million (2022: QR 5 million) respectively. The resulting gain of Nil (2022: QR 1.61 million) has been recognized in other income.

(ii) Depreciation of right-of-use assets for the year is allocated as set out below:

	2023	2022
Capitalised under property, plant and equipment	**58,199**	54,907
Charged to profit or loss (Note 29)	**1,336,644**	837,900
	1,394,843	892,807

(iii) Included in right-of-use assets is the Group's share of QR 949.16 million (2022: QR 1,193.44 million) from its joint operations.

5(c). Investment property

	2023	2022
Costs:		
At 1 January	**1,097,855**	1,086,379
Transfers (Note 5(a)(ii))	**(18,689)**	12,663
Additions	**-**	148
Impairment charges for the year (Note 28(iii))	**(35)**	(1,335)
At 31 December	**1,079,131**	1,097,855
Accumulated depreciation:		
At 1 January	**202,879**	186,425
Charge for the year (Note 29)	**16,587**	16,454
At 31 December	**219,466**	202,879
Net carrying amount:		
At 31 December	**859,665**	894,976

Investment property is carried at cost less accumulated depreciation and impairment losses, if any. Investment property is held to earn rentals and capital appreciation. The Group has earned QR 147.84 million (2022: QR 146.96 million) from rentals of investment property during the year.

The fair value of the investment properly as at 31 December 2023 was QR 1,706 million (2022: QR 1,707 million) based on a valuation carried out using the income earning approach. Under this approach, a property's fair value is estimated based on the capitalization of the net operating income of the relevant property using the market yield.

The fair value was determined by independent external property valuers, having appropriate recognised professional qualifications and recent experience in the location and category of the property being valued. The fair value measurement for the investment property has been categorized as a Level 3 fair value based on the above inputs on the valuation technique used.

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6. Intangible assets

	Software (Note i)	Data acquisition – cost for appraisal wells (Note ii)	Other intangible assets (Note iii)	Total
Costs:				
At 1 January 2022	1,067,479	6,645,519	3,349,325	11,062,323
Additions	3,684	-	15,424	19,108
Derecognition / disposal (Note iv)	(393)	-	(17,086)	(17,479)
Transfer from / (to) property, plant and equipment (Note 5(a)(ii))	132,398	1,163,134	962	1,296,494
Other adjustments	-	-	75,599	75,599
Effect of foreign currency translation	-	-	146,115	146,115
At 31 December 2022	1,203,168	7,808,653	3,570,339	12,582,160
Additions	11,249	-	314,313	325,562
Derecognition / disposal (Note iv)	(42,814)	-	(1,737)	(44,551)
Transfer from / (to) property, plant and equipment (Note 5(a)(ii))	23,726	172,759	-	196,485
Other adjustments	29,270	-	(25,018)	4,252
Effect of foreign currency translation	-	-	261,001	261,001
At 31 December 2023	**1,224,599**	**7,981,412**	**4,118,898**	**13,324,909**
Accumulated amortization:				
At 1 January 2022	948,096	2,111,887	132,057	3,192,040
Charge for the year (Note 29)	119,295	257,839	3,678	380,812
Derecognition / disposal (Note iv)	(393)	-	(3,072)	(3,465)
Other adjustments	-	-	127,412	127,412
At 31 December 2022	1,066,998	2,369,726	260,075	3,696,799
Charge for the year (Note 29)	80,027	370,684	3,775	454,486
Derecognition / disposal (Note iv)	(42,814)	-	(1,737)	(44,551)
Other adjustments	6,121	-	(6,121)	-
At 31 December 2023	**1,110,332**	**2,740,410**	**255,992**	**4,106,734**
Net carrying amount:				
At 31 December 2023	**114,267**	**5,241,002**	**3,862,906**	**9,218,175**
At 31 December 2022	136,170	5,438,927	3,310,264	8,885,361

i. This represents computer software which is not an integral part of hardware and is amortised over the useful life of 4 to 5 years.

ii. These are internally generated intangible assets with a finite useful life.

iii. These include licenses in offshore blocks in various countries amounting to QR 3,829 million (2022: QR 3,263 million) through the Group's joint operations.

iv. Out of the total amount derecognized during the year, the Group has derecognised the capitalized costs associated with the exploration blocks amounting to Nil (2022: QR 14.01 million) due to the relinquishment of blocks in different jurisdictions. (Note 28).

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7. Investments in associates

2023	**Group percentage of holding 2023**	**Group percentage of holding 2022**	**At 1 January 2023**	**Transfer / (disposal) / (repayment)**	**Share in profit / (loss)**	**Dividends**	**Other adjustments (i)**	**At 31 December 2023**
TotalEnergies E&P Congo (TEPC) (iii)	15.0	15.0	1,595,412	-	241,332	(491,400)	-	1,345,344
Foulath Holding B.S.C. – Bahrain (ii)	25.0	25.0	1,882,652	-	279,394	(418,773)	60,283	1,803,556
Laffan Refinery Company Limited (LR) (iv)	72.0	-	-	835,556	(127,423)	-	(463,895)	244,238
Others (v)			2,747,813	-	352,851	(212,067)	38,583	2,927,180
Total			**6,225,877**	**835,556**	**746,154**	**(1,122,240)**	**(365,029)**	**6,320,318**

2022	Group percentage of holding 2022	Group percentage of holding 2021	At 1 January 2022	Disposal / repayment	Share in profit	Dividends	Other adjustments (i)	At 31 December 2022
TotalEnergies E&P Congo (TEPC) (iii)	15.0	15.0	2,151,240	-	426,972	(982,800)	-	1,595,412
Foulath Holding B.S.C. – Bahrain (ii)	25.0	25.0	1,568,981	-	426,262	(109,245)	(3,346)	1,882,652
Others (v)			2,178,654	(12,632)	167,010	(67,427)	482,208	2,747,813
Total			5,898,875	(12,632)	1,020,244	(1,159,472)	478,862	6,225,877

7. Investments in associates (continued)

i. Other adjustments in the above table includes the Group's share in the associates' other comprehensive income, and recognition/reversal of impairment losses.

ii. Foulath Holding B.S.C. is a Bahraini Closed Joint Stock Company incorporated on 26 June 2008 in the Kingdom of Bahrain. Foulath Holding B.S.C. is a holding company for a group of commercial / industrial companies that are engaged in the manufacture and sale of various steel products.

iii. The Group considered the contractual terms and conditions of this investment and decided that the Group exercises significant influence over this entity by virtue of its contractual rights to appoint two out of nine directors to the Board of directors of TEPC.

iv. The Group, based on the terms of the revised ARJVA, has reassessed the classification of its investment in LR and concluded that the Group can now only exercise significant influence over LR. Accordingly, the Group has transferred its investment amounting to QR 901.08 million in LR from investment in joint venture to investment in associate. (Note 8(b)(v)). Additionally, LR has distributed the excess cash to shareholders amounting to QR 65.52 million for shares redemption. Accordingly, net amount of QR 835.56 million was recognised as investment in associate.

In accordance with revised ARJVA, share capital of LR was restructured resulting in a loss of QR 230.1 million to the Group which was recorded in profit or loss (Note 28). During the year, the Group assessed the recoverability of its investment in LR due to reduction in product margins of the entity. As a result of this assessment, an impairment loss amounting to QR 233.79 million (2022: Nil), was recorded in profit or loss (Note 28(iii)).

v. Other associates are included in Note 2.3 which are not disclosed separately as these are not significant to the consolidated financial statements both individually and collectively.

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7. Investments in associates (continued)

The following table gives the summarised financial information of the Group's investments in associates as reported in their own financial statements.

2023	Current assets	Non-current assets	Current liabilities	Non-current liabilities	Net assets	Proportion of Group's interest in associates' net assets (i)	Total revenue	Total profit / (loss)	Total other comprehensive income / (loss)	Proportion of Group's interest in associates' total comprehensive income
TotalEnergies E&P Congo	4,353,440	14,643,720	1,783,600	4,509,960	12,703,600	1,905,540	7,116,200	1,608,880	-	241,332
Foulath Holding B.S.C.	4,378,813	5,052,924	1,869,408	2,584,610	4,977,719	1,224,430	10,274,592	1,117,577	1,132	279,677
Laffan Refinery Company Limited (LR)	4,053,224	2,190,119	2,520,700	3,058,714	663,929	478,029	27,651,238	(176,977)	-	(127,423)

2022	Current assets	Non-current assets	Current liabilities	Non-current liabilities	Net assets	Proportion of Group's interest in associates' net assets (i)	Total revenue	Total profit / (loss)	Total other comprehensive income / (loss)	Proportion of Group's interest in associates' total comprehensive income
TotalEnergies E&P Congo	3,945,760	15,662,920	1,219,400	4,189,640	14,199,640	2,129,946	9,769,760	2,846,480	-	426,972
Foulath Holding B.S.C.	5,141,946	5,046,484	2,007,643	2,641,537	5,539,250	1,384,413	11,290,903	1,705,046	(13,384)	422,916

(i) Proportion of the Group in net assets of these associates does not include goodwill, impairment losses and other adjustments.

8. Investments in joint arrangements

a. Interest in joint operations

These consolidated financial statements include the Group's share of assets, liabilities, income and expenses of the following joint arrangements which are unincorporated joint operations.

1.) *Pearl GTL Project North Field:*

QatarEnergy, on behalf of Government of State of Qatar, and Qatar Shell GTL Limited entered into a Development and Production Sharing Agreement ("DPSA") on 8 July 2004 to develop gas-to-liquids (GTL) project in Ras Laffan, State of Qatar. The period of the DPSA is for 27 years effective 13 June 2011.

2.) *Dolphin Gas Project:*

QatarEnergy, on behalf of Government of State of Qatar, Dolphin Investment Company Limited ("DIC") and TotalEnergies EP Dolphin Upstream and Oxy Dolphin E&P LLC entered into a Development and Production Sharing Agreement ("DPSA") on 23 December 2001 to design, develop, construct and operate the facilities and conduct petroleum operations to recover and export certain quantities of natural gas for export purpose. The period of the DPSA is for 25 years effective 21 July 2007.

3.) *Al Khaleej Gas Project:*

QatarEnergy, on behalf of Government of State of Qatar, and ExxonMobil Middle East Gas Marketing Limited entered into a Development and Production Sharing Agreement ("DPSA") on 2 May 2000 to carry out the Enhanced Gas Utilisation Project. The period of the DPSA is for 25 years effective 2 May 2000.

4.) *BC-10 Concession:*

BC-10 Concession comprises of upstream exploration and production assets of Block BC-10 located at Campos Basin, offshore Brazil and is operated by Shell Petroleo Ltda under a Joint Operating Agreement (JOA) signed with joint partners in which the Group has a 23% interest.

As at 31 December 2023, management committed a plan to sell BC-10 concession in Brasil. Efforts to sell the block have started and sale is expected in year 2024 (Note 11).

5.) *Al Khalij Oil Field Joint Operation:*

Al Khalij Block 6 Field (Al Khalij) is an unincorporated joint operation between QatarEnergy Oil and Gas and TotalEnergies EP Golfe Limited, located in State of Qatar in which the Group has 60% interest. Al Khalij is engaged for production of crude oil from the offshore Alkhalij Block 6 field.

6.) *Sepia Block*

The Group has entered into a production sharing agreement with the Brazilian government related to surplus volume rights of the world class Sepia oil field in Brazil.

The Production Sharing Contract, and other key agreements, were signed in Brasilia. Pursuant to the signed agreements, the Group will hold a 21% interest along with its consortium partners Petrobras (30% and Operator), TotalEnergies (28%), and Petronas (21%).

Located in water depths of about 2,000 meters off the coast of Rio de Janeiro in the prolific Santos Basin, Sepia is a pre-salt oil field. Production from the Sepia field started in August 2021 through a dedicated floating production, storage, and offloading unit (FPSO) and plans are underway to increase the overall production capacity with a second FPSO.

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8. Investments in joint arrangements (continued)

a. Interest in joint operations (continued)

The remaining joint operations of the Group owned through its subsidiary QatarEnergy International are still in exploration stage and their exploration and evaluation cost has been capitalized as part of property, plant and equipment and/or intangible assets as appropriate.

The Group's share of assets, liabilities, income and expenses from the above joint operations included in these consolidated financial statements is as follows:

	2023	2022
Non-current assets	**90,835,111**	90,869,583
Current assets	**1,261,209**	714,925
Non-current liabilities	**2,323,464**	2,412,364
Current liabilities	**612,247**	543,699
Income	**39,790,197**	49,139,464
Expenses	**9,809,287**	10,116,419

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8. Investments in joint arrangements (continued)

b. Investments in joint ventures

2023	Group percentage of holding 2023	Group percentage of holding 2022	1 January 2023	Net additions/ (repayments) / (disposals)	Share in profits/ (losses)	Dividends	Other adjustments (Note i, iv, v and vii)	31 December 2023
QatarEnergy LNG N (2) (Note iii)	**67.5**	67.5	10,396,537	-	9,817,772	(11,509,587)	(45,684)	**8,659,038**
QatarEnergy LNG NFE (1) (Note iii)	**75.0**	100.0	6,720,230	3,617,250	(10,997)	-	7,965	**10,334,448**
QatarEnergy LNG NFE (2) (Note iii)	**70.0**	75.0	6,720,230	3,617,358	(6,991)	-	(684,595)	**9,646,002**
QatarEnergy LNG NFE (3) (Note iii)	**75.0**	75.0	6,720,230	3,617,250	(10,446)	-	7,965	**10,334,999**
QatarEnergy LNG NFE (4) (Note iii)	**75.0**	75.0	3,360,131	1,808,625	(5,658)	-	3,982	**5,167,080**
QatarEnergy LNG NFE (5) (Note iii)	**75.0**	75.0	3,360,131	1,808,625	(5,657)	-	3,982	**5,167,081**
QatarEnergy LNG NFS (1) (Note iii and iv)	**75.0**	-	-	665,438	(2,073)	-	1,865,223	**2,528,588**
QatarEnergy LNG NFS (2) (Note iii and iv)	**75.0**	-	-	665,438	(2,139)	-	1,865,223	**2,528,522**
QatarEnergy LNG NFS (3) (Note iii and iv)	**75.0**	-	-	443,625	(1,545)	-	1,243,491	**1,685,571**
Laffan Refinery Company Limited (LR) (Note v)	**-**	51.0	901,076	-	-	-	(901,076)	**-**
QatarEnergy LNG S (1) (Note iii and iv)	**63.0**	63.0	2,372,599	-	5,169,469	(5,156,363)	427,362	**2,813,067**
QatarEnergy LNG S (2) (Note iii)	**67.1**	67.1	5,051,205	-	8,883,963	(8,734,492)	4,394	**5,205,070**
Barzan Gas Company Limited (Note ii and iii)	**93.0**	93.0	21,655,395	(1,174,664)	811,311	-	-	**21,292,042**
Qatar Vinyl Company Limited (Note iii)	**68.1**	68.1	1,518,206	126,585	84,913	(175,998)	(195,666)	**1,358,040**
Qatar Chemical Company Limited (Note iii)	**51.0**	51.0	1,654,579	-	365,855	(334,152)	(176,808)	**1,509,474**
Qatar Chemical Company Limited (II) (Note iii)	**51.0**	51.0	3,169,967	-	543,093	(584,766)	(318,765)	**2,809,529**
Oryx GTL Limited (Note iii)	**51.0**	51.0	2,076,206	-	681,329	(445,536)	-	**2,311,999**
QatarEnergy LNG N (3) (Note iii and vi)	**68.5**	68.5	4,715,423	(1,712,371)	4,705,749	(4,705,647)	-	**3,003,154**
QatarEnergy LNG N (4) (Note iii and vi)	**70.0**	70.0	7,005,094	(442,055)	5,346,360	(7,051,613)	-	**4,857,786**
QatarEnergy LNG S (3) (Note iii)	**70.0**	70.0	6,875,176	-	11,716,415	(10,346,081)	34,537	**8,280,047**
Golden Pass LNG Terminal LLC (Note iii)	**70.0**	70.0	18,641,897	6,210,794	(115,864)	-	-	**24,736,827**
Adriatic LNG Terminal (Note viii)	**22.0**	22.0	1,504,010	(53,884)	-	(53,496)	(1,396,630)	**-**
South Hook LNG Terminal Ltd. (Note iii)	**67.5**	67.5	1,989,274	-	281,579	(247,454)	134,610	**2,158,009**
Golden Pass Pipeline LLC (Note iii)	**70.0**	70.0	1,470,182	210,804	30,282	-	-	**1,711,268**
QPI & Shell Petrochemicals (Singapore) PTE Ltd.	**49.0**	49.0	1,224,412	-	(53,870)	-	-	**1,170,542**
Qatar Petrochemical Company Q.P.S.C. (Note iii)	**80.0**	80.0	6,349,517	-	848,638	(948,800)	(348,293)	**5,901,062**
North Oil Company (Note iii)	**70.0**	70.0	10,384,718	-	3,200,164	(25,480)	-	**13,559,402**
Qatar Aluminium Company (Qatalum) (Note iii)	**50.0**	50.0	4,846,007	-	392,259	(358,540)	(323,205)	**4,556,521**
Golden Triangle Polymers Company Holdings L.L.C. (Note vii)	**49.0**	49.0	1,454,726	1,307,983	2,927	-	-	**2,765,636**
Ras Laffan Petrochemicals Company ('RLPC') (Note ix)	**70.0**	70.0	255	-	(73,239)	-	2,780,060	**2,707,076**
Others (Note viii and x)			1,674,389	51,814	586,468	(261,632)	99,680	**2,150,719**
Total			**143,811,802**	**20,768,615**	**53,180,067**	**(50,939,637)**	**4,087,752**	**170,908,599**

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8. Investments in joint arrangements (continued)

b. Investments in joint ventures (continued)

2022 *(Re-presented – Note 11.2(b))*	Group percentage of holding 2022	Group percentage of holding 2021	1 January 2022	Net additions/ (repayments) / (disposals)	Share in profits/ (losses)	Dividends	Other adjustments (Note i and iv)	31 December 2022
QatarEnergy LNG N (1) (Note iii)	-	65.0	325,439	-	-	-	(325,439)	-
QatarEnergy LNG N (2) (Note iii)	67.5	67.5	10,980,234	-	17,332,747	(17,658,386)	(258,058)	10,396,537
QatarEnergy LNG NFE (1) (Note iii and iv)	100.0	-	-	455,027	(41,325)	-	6,306,528	6,720,230
QatarEnergy LNG NFE (2) (Note iii and iv)	75.0	-	-	(1,798,815)	(41,325)	-	8,560,370	6,720,230
QatarEnergy LNG NFE (3) (Note iii and iv)	75.0	-	-	(1,798,815)	(41,325)	-	8,560,370	6,720,230
QatarEnergy LNG NFE (4) (Note iii and iv)	75.0	-	-	(899,393)	(20,661)	-	4,280,185	3,360,131
QatarEnergy LNG NFE (5) (Note iii and iv)	75.0	-	-	(899,393)	(20,661)	-	4,280,185	3,360,131
Laffan Refinery Company Limited (LR) (Note iii)	51.0	51.0	792,429	-	108,647	-	-	901,076
Laffan Refinery Company Limited 2 (LR2) (Note iii)	84.0	84.0	-	183,456	(183,456)	-	-	-
QatarEnergy LNG S (1) (Note iii and iv)	63.0	63.0	2,232,648	-	6,741,760	(7,218,707)	616,898	2,372,599
QatarEnergy LNG S (2) (Note iii)	67.1	67.1	3,740,278	-	15,197,883	(14,139,048)	252,092	5,051,205
Barzan Gas Company Limited (Note ii and iii)	93.0	93.0	20,054,352	693,967	907,076	-	-	21,655,395
Qatar Vinyl Company Limited (Note iii)	68.1	68.1	1,438,741	43,200	581,064	(359,432)	(185,367)	1,518,206
Qatar Chemical Company Limited (Note iii)	51.0	51.0	1,755,275	-	431,024	(297,024)	(234,696)	1,654,579
Qatar Chemical Company Limited (II) (Note iii)	51.0	51.0	3,434,516	-	795,058	(733,278)	(326,329)	3,169,967
Oryx GTL Limited (Note iii)	51.0	51.0	2,327,518	-	649,042	(900,354)	-	2,076,206
QatarEnergy LNG N (3) (Note iii)	68.5	68.5	6,298,372	(1,321,502)	6,425,852	(6,687,299)	-	4,715,423
QatarEnergy LNG N (4) (Note iii)	70.0	70.0	6,026,292	-	8,090,270	(7,111,468)	-	7,005,094
QatarEnergy LNG S (3) (Note iii)	70.0	70.0	6,176,099	-	19,018,305	(18,319,228)	-	6,875,176
Golden Pass LNG Terminal LLC (Note iii)	70.0	70.0	13,332,558	5,385,706	(76,367)	-	-	18,641,897
Adriatic LNG Terminal	22.0	22.0	1,463,989	(103,530)	-	-	143,551	1,504,010
South Hook LNG Terminal Ltd. (Note iii)	67.5	67.5	2,197,020	-	326,733	(254,871)	(279,608)	1,989,274
Golden Pass Pipeline LLC (Note iii)	70.0	70.0	1,319,199	101,303	49,680	-	-	1,470,182
QPI & Shell Petrochemicals (Singapore) PTE Ltd.	49.0	49.0	1,314,816	-	(79,702)	(10,702)	-	1,224,412
Qatar Petrochemical Company Q.P.S.C. (Note iii)	80.0	80.0	6,047,557	-	1,881,094	(856,800)	(722,334)	6,349,517
North Oil Company (Note iii)	70.0	70.0	7,611,607	-	3,027,911	(254,800)	-	10,384,718
Qatar Aluminium Company (Qatalum) (Note iii)	50.0	50.0	4,390,915	-	899,848	(443,170)	(1,586)	4,846,007
Golden Triangle Polymers Company Holdings L.L.C. (Note vii)	49.0	-	-	774,095	(2,334)	-	682,965	1,454,726
Ras Laffan Petrochemicals Company (‘RLPC')	70.0	-	-	255	-	-	-	255
Others (x)			1,313,536	277,891	617,125	(404,333)	(129,830)	1,674,389
Total			104,573,390	1,093,452	82,573,963	(75,648,900)	31,219,897	143,811,802

8. Investments in joint arrangements (continued)

b. Investments in joint ventures (continued)

i. Other adjustments in the above table mainly include the Group's share in the joint ventures' other comprehensive income for the year, foreign currency translation differences, impairment losses, transfer from project under development and other adjustments.

ii. During the year, Barzan Gas Company Limited ("Barzan") repaid shareholder advances amounting to QR 1,174.66 million (2022: addition of QR 693.97 million).

iii. The Group has classified these investments as joint ventures. The Group considers the terms and conditions of the agreements and the purpose and design of the joint arrangements. As per the agreement, the venturers of the above companies jointly control these companies. The Group owns equity interest in these joint ventures whose legal form confers separation between the parties to the joint arrangement and the Group itself. Furthermore, there is no contractual arrangement or any other facts and circumstances that indicate that the parties to the joint arrangement have rights to the assets and obligations for the liabilities of the joint arrangement. Accordingly, investment in above joint ventures is classified as investment in a joint venture rather than investment in a joint operation or investment in a subsidiary.

iv. Other adjustment includes transfer from project under development amounting to QR 7,607.97 million (2022: QR 34,657.37 million) which represents 1) transfer of QR 517.20 million (2022: QR 415.88 million) for capital projects in QatarEnergy LNG S (1); 2) transfer of QR 4,310.71 million (2022: QR 34,241.49 million for North Field East Project) for the assets under construction related to onshore, offshore and common facilities of the North Field South Project (NFS Project); and 3) transfer of QR 2,780.06 million (2022: Nil) for Ras Laffan Petrochemicals Company (refer ix below).

On 15 November 2022, QatarEnergy has entered into a Project Transfer Agreement (PTA) in relation to NFS Project with QatarEnergy LNG NFS (1), QatarEnergy LNG NFS (2) and QatarEnergy LNG NFS (3) (collectively referred as 'NFS ventures'). As per Article 2.2 (a)(i) of the PTA, QatarEnergy has transferred all of QatarEnergy's right, title and interest in and to, and all of QatarEnergy's obligations under the NFS Contracts.

Further, on 15 November 2022, QatarEnergy and NFS ventures have also entered into a Development and Fiscal Agreement (NFS DFA) pursuant to which QatarEnergy granted a license to NFS ventures including the right to drill for and produce natural gas, condensates and related products within a specified location in Qatar's North Field, the right to construct and operate facilities for the production of LNG and its by-product and right to store and sell all products produced at its facilities. Both of the above PTA and NFS DFA are effective upon the completion of the conditions precedent stipulated in the Joint Venture Agreements entered between the Group and the respective foreign partners. In 2023, these conditions precedent are successfully completed and accordingly, PTA and NFS DFA became effective.

v. On 5 September 2022, shareholders of LR and LR 2 have entered into a merger agreement, in order to combine the businesses and operations of both refineries located at Ras Laffan Industrial City, Qatar and owned by LR and LR 2 respectively. On 1 February 2023 "the effective date of merger agreement"), the JVA of LR 2 was terminated and the corporate existence of LR 2 ceased. Accordingly, LR continued as a surviving entity and assumed all the rights, obligations, privileges, liabilities, immunities, properties, powers and franchises of the LR 2. Further, the Amended and Restated Joint Venture Agreement (ARJVA), governing the activities of LR was further amended. The Group, based on the terms of the revised ARJVA, has reassessed the classification of its investment in LR and concluded that the Group can now only exercise significant influence over LR. Accordingly, the Group has transferred its investment amounting to QR 901.08 million in LR from investment in joint venture to investment in associate (Note 7(iv)).

8. Investments in joint arrangements (continued)

b. Investments in joint ventures (continued)

vi. During the year, QatarEnergy LNG N (3) and QatarEnergy LNGN (4) repaid share capital amounting to QR 1,712.37 million and QR 442.06 million respectively.

vii. Golden Triangle Polymers Company Holdings LLC (‘Golden Triangle’) is a joint venture formed when Chevron Phillips Chemical Company (CPChem) and QatarEnergy U.S. Investments LLC (fully owned subsidiary of the Group) entered into an Amended and Restated Limited Liability Company Agreement dated 10 November 2022. Main purpose of Golden Triangle is design, engineer, develop, construct, commission, use, license, manage, operate, maintain and decommission a petrochemical facility that includes a 2,080 KTA ethane cracker and two 1,000 KTA high-density polyethylene units and all necessary utilities, offsites and infrastructure at a site located in Orange, Texas, USA.

viii. As of 31 December 2023, management committed to a plan to sell investment in Adriatic LNG Terminal. Accordingly, the carrying value of the investment was reclassified to assets held for sale and the related results of operations as discontinued operations (Note 11). Further, the Group’s investments in joint ventures ExxonMobil Exploration Argentina S.R.L. (“EMEA”) and Mobil Argentina S.A. (“MASA”) (categorized in ‘others') were also classified as assets held for sale, however, their carrying values are nil before and after the transfer to assets held for sale.

ix. Ras Laffan Petrochemicals Company is a joint venture formed between QatarEnergy Oil and Gas (2) (fully owned subsidiary of the Group) and Chevron Phillips Chemical RLPP Holding Company B.V. via joint venture agreement dated 8 January 2023. During the year, the Group has provided contribution in kind (by transferring the project asset for Ras Laffan Petrochemicals Plant) amounting to QR 2,780.06 million and considered this as investment in joint venture.

x. Other joint ventures are included in Note 2.3 which are not disclosed separately as these are not significant to the consolidated financial statements both individually and collectively.

As at and for the year ended 31 December 2023 QR '000

8. Investments in joint arrangements (continued)

b. Investments in joint ventures (continued)

2023	Cash and cash equivalents	Other current assets	Non-current assets	Current financial liabilities (excluding trade payables and provision)	Other current liabilities	Non-current financial liabilities (excluding trade payables and provision)	Other non-current liabilities	Net assets	Adjustments*	Proportion of Group's interest in joint venture's net assets
QELNGN2	3,679,115	5,295,839	25,743,013	560,320	5,668,914	13,407,052	2,253,477	12,828,204	-	8,659,038
QELNGNFE1	10,410	829,672	14,868,679	-	1,305,486	624,011	-	13,779,264	-	10,334,448
QELNGNFE2	10,119	831,048	14,868,278	-	1,305,431	624,011	-	13,780,003	-	9,646,002
QELNGNFE3	10,097	831,088	14,868,283	-	1,305,460	624,009	-	13,779,999	-	10,334,999
QELNGNFE4	4,248	415,521	7,434,452	-	652,779	312,002	-	6,889,440	-	5,167,080
QELNGNFE5	2,133	417,639	7,434,452	-	652,779	312,004	-	6,889,441	-	5,167,081
QELNGNFS1	5,660	742,575	4,039,283	-	1,088,458	327,609	-	3,371,451	-	2,528,588
QELNGNFS2	5,525	742,575	4,039,330	-	1,088,458	327,609	-	3,371,363	-	2,528,522
QELNGNFS3	3,451	495,044	2,692,974	-	725,634	218,407	-	2,247,428	-	1,685,571
QELNGS1	3,319,363	1,474,029	2,655,948	50,760	3,406,858	295,634	57,108	3,638,980	(520,509)	2,813,067
QELNGS2	3,874,059	3,963,618	11,449,755	646,875	5,802,579	4,817,798	257,212	7,762,968	-	5,205,070
Barzan	2,832,481	1,626,749	34,831,775	2,230,479	564,633	12,050,540	1,352,016	23,093,337	(184,761)	21,292,042
QVC	273,298	715,613	945,646	823	199,588	67,253	-	1,666,893	222,885	1,358,040
Q-chem	136,857	1,565,589	2,017,019	12,696	704,355	556,425	2,195	2,443,794	263,139	1,509,474
Q-chem II	238,518	1,595,266	4,139,197	5,096	753,793	1,227,870	-	3,986,222	776,556	2,809,529
Oryx	1,495,031	1,368,631	2,948,519	10,172	1,106,702	161,976	-	4,533,331	-	2,311,999
QELNGN3	1,661,376	2,870,078	16,261,886	313,499	2,759,346	12,296,932	1,039,397	4,384,166	-	3,003,154
QELNGN4	1,606,448	2,122,255	15,735,305	264,985	2,252,272	8,975,719	1,031,338	6,939,694	-	4,857,786
QELNGS3	4,933,212	7,910,106	27,463,811	2,011,431	7,168,277	17,061,135	2,237,647	11,828,639	-	8,280,047
GP LNG	1,331,156	1,141,231	33,975,851	895,174	41,211	52,827	117,899	35,341,127	(1,962)	24,736,827
SH LNG	54,450	506,195	4,958,851	180,736	170,302	1,964,124	7,283	3,197,051	-	2,158,009
GP Pipeline	124,516	40,372	2,754,945	118,852	40,645	3,747	-	2,756,589	(218,344)	1,711,268
QPI & SP	26,153	-	1,029,053	-	794	-	-	1,054,412	653,880	1,170,542
QAPCO	817,444	1,452,346	6,228,975	19,344	1,047,202	413,252	-	7,018,967	285,888	5,901,062
NOC	310,836	5,529,901	27,061,466	1,102,082	5,639,526	4,374,343	2,415,678	19,370,574	-	13,559,402
Qatalum	1,570,183	2,152,264	11,216,471	209,195	794,757	4,571,811	-	9,363,155	(125,056)	4,556,521
GTPC	357,853	21,146	12,786,669	-	1,850,690	5,743,758	-	5,571,220	35,738	2,765,636
RLPC	234,565	571,275	5,987,627	-	1,022,024	1,891,337	12,854	3,867,252	-	2,707,076

***** Pertains mainly to foreign currency translation differences, impairment losses, unrecognised share of losses and other adjustments.

As at and for the year ended 31 December 2023 QR '000

8. Investments in joint arrangements (continued)

b. Investments in joint ventures (continued)

2023	Revenue	Depreciation and amortization	Interest income	Interest expense	Income tax expense	Profit / (loss) from continuing operations	Other comprehensive income	Total comprehensive income / (loss)	Proportion of Group's interest in joint venture's total comprehensive income / (loss)
QELNGN2	41,888,822	(2,176,716)	118,544	(922,973)	(7,831,788)	14,544,847	-	14,544,847	9,817,772
QELNGNFE1	-	-	31,249	-	7,895	(14,663)	-	(14,663)	(10,997)
QELNGNFE2	-	-	32,361	-	7,498	(13,924)	-	(13,924)	(6,991)
QELNGNFE3	-	-	32,261	-	7,498	(13,928)	-	(13,928)	(10,446)
QELNGNFE4	-	-	16,151	-	4,062	(7,544)	-	(7,544)	(5,658)
QELNGNFE5	-	-	16,154	-	4,062	(7,543)	-	(7,543)	(5,657)
QELNGNFS1	-	-	16,249	-	1,489	(2,764)	-	(2,764)	(2,073)
QELNGNFS2	-	-	16,162	-	1,536	(2,852)	-	(2,852)	(2,139)
QELNGNFS3	-	-	10,752	-	1,110	(2,060)	-	(2,060)	(1,545)
QELNGS1	19,530,496	(942,396)	53,413	(26,856)	(4,418,352)	8,205,507	-	8,205,507	5,169,469
QELNGS2	39,465,721	(1,317,473)	114,038	(396,964)	(7,134,484)	13,249,758	-	13,249,758	8,883,963
Barzan	5,528,097	(2,654,972)	160,622	(936,281)	(294,909)	872,377	-	872,377	811,311
QVC	1,221,595	(153,040)	18,145	(87)	(47,207)	86,421	-	86,421	84,913
Q-chem	2,208,028	(346,379)	37,481	(1,034)	(254,898)	472,461	-	472,461	365,855
Q-chem II	2,909,590	(415,848)	51,965	(6,417)	(378,400)	701,326	-	701,326	543,093
Oryx	3,207,906	(417,371)	35,195	(8,449)	(716,287)	1,335,939	-	1,335,939	681,329
QELNGN3	26,030,011	(1,395,773)	184,173	(780,278)	(3,699,685)	6,869,707	-	6,869,707	4,705,749
QELNGN4	22,409,962	(1,357,574)	160,731	(652,011)	(4,116,090)	7,637,657	-	7,637,657	5,346,360
QELNGS3	47,966,016	(2,163,197)	189,586	(1,128,888)	(9,012,993)	16,737,736	-	16,737,736	11,716,415
GP LNG	1,065,581	(106,953)	-	-	-	(165,520)	-	(165,520)	(115,864)
SH LNG	393,489	(12,810)	655,670	(76,671)	(139,978)	417,154	(1,684)	415,470	280,444
GP Pipeline	180,510	(35,026)	-	-	(8,957)	43,260	-	43,260	30,282
QPI & SP	-	-	961	-	(164)	(109,939)	-	(109,939)	(53,870)
QAPCO	3,270,408	(425,366)	55,857	(3,994)	(180,261)	689,184	(3,640)	685,544	845,726
NOC	31,482,201	(2,376,210)	118,103	(233,241)	(2,461,665)	4,571,663	-	4,571,663	3,200,164
Qatalum	6,299,184	(884,775)	88,750	(331,076)	(295,543)	488,976	-	488,976	392,259
GTPC	-	-	8,910	-	-	5,973	-	5,973	2,927
RLPC	-	(37,621)	-	(65,429)	46,712	(104,627)	-	-	(73,239)

(i) The Group's share of loss is restricted to the carrying amount.

Proportion of Group's interest in joint ventures total comprehensive income / (loss) does not include intra group adjustments.

As at and for the year ended 31 December 2023 QR '000

8. Investments in joint arrangements (continued)

b. Investments in joint ventures (continued)

2022	Cash and cash equivalents	Other current assets	Non-current assets	Current financial liabilities (excluding trade payables and provision)	Other current liabilities	Non-current financial liabilities (excluding trade payables and provision)	Other non-current liabilities	Net assets	Adjustments*	Proportion of Group's interest in joint venture's net assets
QELNGN2	6,263,344	6,412,428	26,831,248	500,664	7,956,779	13,687,507	1,959,793	15,402,277	-	10,396,537
QELNGNFE1	36	659,579	9,966,094	-	1,079,978	585,424	-	8,960,307	-	6,720,230
QELNGNFE2	36	659,579	9,966,094	-	1,079,978	585,424	-	8,960,307	-	6,720,230
QELNGNFE3	36	659,579	9,966,094	-	1,079,978	585,424	-	8,960,307	-	6,720,230
QELNGNFE4	36	359,854	4,983,044	-	570,045	292,714	-	4,480,175	-	3,360,131
QELNGNFE5	36	359,854	4,983,044	-	570,046	292,713	-	4,480,175	-	3,360,131
LR	218,222	1,768,869	2,237,865	45,191	1,143,400	889,938	379,612	1,766,815	-	901,076
LR2	464,752	2,593,842	-	3,908,454	1,675,194	-	-	(2,525,054)	2,525,054	-
QELNGS1	5,723,321	1,900,429	2,748,389	54,957	6,673,150	347,560	52,893	3,243,579	329,144	2,372,599
QELNGS2	6,156,157	7,532,085	10,597,030	587,871	10,156,550	5,819,763	187,598	7,533,490	-	5,051,205
Barzan	2,740,683	1,686,205	37,006,424	2,155,390	540,929	13,771,023	1,289,805	23,676,165	(363,438)	21,655,395
QVC	743,015	555,675	892,604	841	471,005	104,147	-	1,615,301	418,186	1,518,206
Q-chem	280,859	1,418,857	2,259,869	12,645	692,364	625,353	2,690	2,626,533	315,047	1,654,579
Q-chem II	263,361	2,070,629	4,453,704	14,185	1,018,345	1,323,671	-	4,431,493	909,906	3,169,967
Oryx	983,793	1,334,917	3,028,567	16,117	1,091,701	168,467	-	4,070,992	-	2,076,206
QELNGN3	6,422,158	2,211,733	17,620,982	283,945	6,189,270	11,951,072	946,757	6,883,829	-	4,715,423
QELNGN4	4,658,814	2,539,009	17,098,310	1,149,210	3,182,911	9,017,058	939,677	10,007,277	-	7,005,094
QELNGS3	9,212,520	8,484,006	26,775,498	1,903,309	12,245,430	18,682,310	1,819,295	9,821,680	-	6,875,176
GP LNG	578,884	84,834	26,751,663	506,186	54,906	220,793	-	26,633,496	(1,550)	18,641,897
ALNG	94,538	342,903	6,427,232	5,906	207,463	129,384	-	6,521,920	67,590	1,504,010
SH LNG	271,665	254,521	4,846,861	408,000	-	2,017,975	-	2,947,072	-	1,989,274
GP Pipeline	103,778	24,195	2,322,229	66,682	6,916	5,260	-	2,371,344	(189,759)	1,470,182
QPI & SP	3,909	-	1,160,701	-	262	-	-	1,164,348	653,881	1,224,412
QAPCO	1,619,609	1,542,964	6,720,768	29,254	1,907,353	427,312	-	7,519,422	333,979	6,349,517
NOC	318,980	5,210,879	21,990,188	952,684	5,261,227	4,274,609	2,196,215	14,835,312	-	10,384,718
Qatalum	1,798,234	2,513,023	11,697,034	96,890	1,283,005	5,037,138	-	9,591,258	50,378	4,846,007
G Triangle	109,648	76,009	5,233,864	1,690,303	5,213	810,303	-	2,913,702	27,012	1,454,726
RLPC	-	364	-	-	-	-	-	364	-	255

***** Pertains mainly to foreign currency translation differences, impairment losses and other adjustments.

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8. Investments in joint arrangements (continued)

b. Investments in joint ventures (continued)

2022	Revenue	Depreciation and amortization	Interest income	Interest expense	Income tax expense	Profit / (loss) from continuing operations	Other comprehensive income	Total comprehensive income / (loss)	Proportion of Group's interest in joint venture's total comprehensive income / (loss)
QELNGN2	66,807,424	(2,252,195)	48,110	(948,056)	(13,827,028)	25,678,143	-	25,678,143	17,332,747
QELNGNFE1	-	-	4,939	-	(29,666)	-	-	(55,100)	(41,325)
QELNGNFE2	-	-	4,939	-	(29,666)	-	-	(55,099)	(41,325)
QELNGNFE3	-	-	4,939	-	(29,666)	-	-	(55,099)	(41,325)
QELNGNFE4	-	-	2,472	-	(14,833)	-	-	(27,548)	(20,661)
QELNGNFE5	-	-	2,472	-	(14,833)	-	-	(27,548)	(20,661)
LR	19,707,386	(160,837)	15,364	(4,590)	(30,438)	213,035	-	213,034	108,647
LR2 (i)	20,310,599	(39,898)	14,953	(134,068)	(14,036)	284,186	-	284,186	(183,456)
QELNGS1	25,727,848	(1,008,302)	38,100	(26,263)	(5,762,189)	10,701,207	-	10,701,207	6,741,760
QELNGS2	58,219,998	(1,390,720)	44,397	(436,265)	(12,205,022)	22,666,492	-	22,666,492	15,197,883
Barzan	7,073,011	(2,410,466)	40,320	(473,531)	(1,392,256)	975,351	-	975,351	907,076
QVC	2,193,941	(145,676)	18,327	(135)	(320,622)	593,364	-	593,364	581,064
Q-chem	2,341,317	(292,904)	17,588	(1,227)	(300,242)	556,676	-	556,676	431,024
Q-chem II	3,451,048	(411,080)	29,877	(5,464)	(553,724)	1,026,928	-	1,026,928	795,058
Oryx	3,713,550	(428,850)	18,295	(9,344)	(687,308)	1,272,631	-	1,272,631	649,042
QELNGN3	32,919,621	(1,406,554)	124,736	(806,726)	(5,050,620)	9,380,806	-	9,380,806	6,425,852
QELNGN4	30,429,370	(1,372,244)	49,722	(695,029)	(6,222,733)	11,557,528	-	11,557,528	8,090,270
QELNGS3	67,745,478	(2,248,930)	73,157	(1,222,949)	(15,250,501)	27,169,007	-	27,169,007	19,018,305
GP LNG	564,069	(101,687)	786	-	-	(109,096)	-	(109,096)	(76,367)
ALNG	1,361,258	(288,113)	15	-	-	242,533	-	242,533	53,417
SH LNG	566,315	(12,711)	654,696	(60,224)	(118,397)	484,049	37,146	521,195	351,802
GP Pipeline	180,522	(34,868)	25	-	-	97,234	-	97,234	49,680
QPI & SP	(162,410)	-	349	-	(33)	(162,657)	-	(162,657)	(79,702)
QAPCO	4,385,769	(419,183)	33,999	(4,389)	(470,626)	1,523,556	(21,080)	1,502,476	1,864,231
NOC	35,081,898	(1,884,799)	40,207	(225,749)	(2,329,160)	4,325,587	-	4,325,587	3,027,911
Qatalum	7,969,824	(884,928)	22,382	201,940	(621,450)	1,178,246	-	1,178,246	899,848
G Triangle	-	-	194	(1,596)	-	(4,763)	-	(4,763)	(2,334)

Proportion of Group's interest in joint ventures total comprehensive income / (loss) does not include intra group adjustments.

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9. Other investments

	2023	2022
Non-current assets		
Financial assets at FVOCI (Note a)	**5,199,263**	4,929,526
Financial assets at amortised cost	**2,340,771**	2,237,098
	7,540,034	7,166,624
Current assets		
Financial assets at FVTPL (Note b)	**878,461**	817,623

a. Financial assets at FVOCI

The carrying amounts of the Group's financial assets at FVOCI are as follows:

	2023	2022
Quoted equity instruments	**4,836,009**	4,627,455
Quoted debt instruments	**328,501**	278,346
Quoted managed funds	**33,251**	22,222
Unquoted equity instruments	**1,502**	1,503
	5,199,263	4,929,526

The movement during the year was as follows:

	2023	2022
As at 1 January	**4,929,526**	4,972,236
Additions during the year	**1,415,792**	1,733,537
Disposals during the year	**(1,276,767)**	(2,085,790)
Fair value changes during the year	**136,085**	198,926
Other adjustments	**(5,373)**	110,617
As at 31 December	**5,199,263**	4,929,526

These investments in equity instruments are not held for trading. Instead, they are held for medium to long-term strategic purposes. Accordingly, the Group has elected to designate these investments in equity instruments at FVOCI as they believe that recognising short-term fluctuations in these investments' fair value in profit or loss would not be consistent with the Group's strategy of holding these investments for long-term purposes and realising their performance potential in the long run.

b. Financial assets at FVTPL

These represent financial assets which are acquired and incurred principally for the purpose of selling or repurchasing in the near term or to take advantage of short-term market movements. Details are as follows:

	2023	2022
Quoted equity instruments	**745,367**	690,995
Quoted debt instruments	**133,094**	123,043
Unquoted equity instruments	**-**	3,585
	878,461	817,623

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9. Other investments (continued)

b. Financial assets at FVTPL (continued)

The movement during the year was as follows:

	2023	2022
As at 1 January	**817,623**	767,877
Acquisition during the year	**33,694**	302,937
Disposals during the year	**(24,465)**	(250,478)
Net movement in fair value during the year (Note 27)	**48,611**	11,133
Other adjustments	**2,998**	(13,846)
As at 31 December	**878,461**	817,623

10. Other non-current assets

	2023	2022
Loans and advances to related parties (Note 16(a))	**1,043,461**	1,290,022
Lease receivables (Note a)	**2,097,807**	2,127,554
Projects under development (Note b)	**1,318,995**	3,903,831
Catalysts	**215,135**	203,232
Deferred tax asset (Note c and Note 32)	**769,140**	771,566
Recoverable injected gas (Note d)	**3,159,757**	2,668,848
Capital advances	**175,041**	192,371
Other receivables (Note 24(c))	**511,462**	-
Other non-current assets	**276,215**	131,399
	9,567,013	11,288,823

a. Lease receivables

These lease receivables relate to plots of land in Ras Laffan leased out under operating leases to various parties by the Group based on non-cancellable lease agreements for a term ranging from 10 to 40 years. Lease payments received under these operating leases are recognized on a straight-line-basis over the lease term resulting in long term lease receivables. This also includes receivable from a finance lease arrangement for five vessels.

	2023	2022
Not later than one year	**69,758**	61,956
Later than one year and not later than five years	**957,120**	375,613
Later than five years	**1,140,687**	1,751,941
	2,167,565	2,189,510

	2023	2022
Classified as below:		
Non-current asset	**2,097,807**	2,127,554
Current asset (Note 14)	**69,758**	61,956
	2,167,565	2,189,510

b. Projects under development

Projects under development represent cash advances made by the Group to meet project expenses that will subsequently be capitalized. Projects under development comprise the following;

	2023	2022
North Field Expansion Project	**1,298,883**	2,686,246
North Field Production Sustainability Project	**12,202**	74,004
Ras Laffan Petrochemical Plant	**1,010**	1,136,681
Others	**6,900**	6,900
	1,318,995	3,903,831

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10. Other non-current assets (continued)

b. Projects under development (continued)

The movement of projects under development during the year was as follows:

	2023	2022
As at 1 January	**3,903,831**	22,324,360
Project costs paid during the year	**8,372,723**	20,304,550
Repayment	**(2,360,208)**	-
Transfer to property, plant and equipment (Note 5(a)(ii))	**(989,381)**	(4,067,712)
Transfer to investment in joint ventures (Note 8(b)(iv))	**(7,607,970)**	(34,657,367)
As at 31 December	**1,318,995**	3,903,831

c. Deferred tax asset

Deferred tax asset represents asset recognized on carried forward tax losses of QR 269.68 million (2022: QR 298.20 million) and other deductible temporary differences of QR 499.46 million (2022: QR 473.37 million) and pertains to overseas subsidiaries of the Group.

d. Recoverable injected gas

This represents amounts incurred on the excess quantities of gas injected in Khuff reservoir which have been produced internally or purchased from third parties. Management assessed that these injected quantities of gas can be extractable in long term future. Accordingly, the cost incurred on injected quantities of gas has been capitalized to the extent of extractable gas quantities.

11. Assets held for sale and discontinued operations

11.1 Assets held for sale

(a) Assets and liabilities of assets held for sale

In December 2023, management committed to a plan to sell a block namely BC-10 concession in Brasil (Note 8(a)) and investment in joint venture in Italy namely Adriatic LNG Terminal (ALNG), ExxonMobil Exploration Argentina S.R.L. ("EMEA") and Mobil Argentina S.A. ("MASA") (collectively referred as 'joint ventures held for sale') (Note 8(b)(viii)). Accordingly, the carrying values of assets and liabilities directly associated with the block and investment in the joint ventures were reclassified to assets held for sale. Efforts to sell the investments have started and sale is expected during the year 2024. Carrying amounts of assets held for sale and liabilities directly associated with such assets are given below:

Assets	**2023**	2022
Investment in joint ventures (Note 11.1(b))	**777,492**	-
Property and equipment (Note 5(a))	**324,780**	-
Right of use assets (Note 5(b))	**80,264**	-
Inventories	**16,239**	-
Due from related parties	**39**	-
Trade and other receivables	**122,879**	-
Effect of foreign currency exchange difference	**(158,928)**	-
Assets held for sale	**1,162,765**	-

Liabilities	**2023**	2022
Provision for decommissioning and restoration obligation (Note 24(a))	**520,454**	-
Lease liabilities (Note 22)	**67,677**	-
Trade and other payables	**53,433**	-
Effect of foreign currency exchange difference	**17,291**	-
Liabilities held for sale	**658,855**	-

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11. Assets held for sale and discontinued operations (continued)

11.1 Assets held for sale (continued)

(b) Impairment loss relating to assets held for sale

The Group has valued its assets held for sale at the lower of carrying value and fair value less cost to sell and recorded impairment loss representing the difference between the carrying value and fair value less cost to sell. The impairment loss has been included in loss from discontinued operations.

	2023	2022
Carrying value of investment in ALNG (Note 8(b))	**1,396,630**	-
Less: fair value less cost to sell	**(777,492)**	-
Impairment loss (Note 11.2(b))	**619,138**	-

No impairment loss was recognized for other assets held for sale as the fair value less cost to sell exceeds the carrying amount.

11.2 Discontinued operations

The comparative consolidated statement of profit or loss and other comprehensive income has been represented to show the discontinued operation separately from continuing operation. The following are income and expenses included in the consolidated statement of profit or loss and other comprehensive income relating to discontinued operations:

	2023	2022
Amwaj catering services (a)	**267,494**	4,240
Joint ventures held for sale (b)	**(678,095)**	50,141
(Loss) / profit from discontinued operations	**(410,601)**	54,381

(a) Amwaj Catering Services

On 16 October 2023, one of the subsidiaries of the Group namely Amwaj Catering Services, which represents the Group's catering segment, acquired 100% shares of selected entities of Shaqab Abela Catering Services Company and Atyab Fruits and Vegetables. Simultaneously the Group transferred 3.57% (effective percentage) of its ownership in Amwaj Catering Services to Tamween Capital, and 3.43% (effective percentage) to Abela Qatar International ("AQI"). The Group retained the remaining 3% (effective percentage) in Amwaj Catering Services.

The transaction resulted in the deconsolidation of Amwaj Catering Services and recognition of the retained interest as an equity accounted investment with 3% ownership at fair value. Accordingly, the subsidiary is reported in the current period as a discontinued operation until the date of deconsolidation. A gain of QR 267.49 million was recognised on the transaction within loss from discontinued operation.

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

For the period / year ended	16 October 2023	31 December 2022
Revenue	**351,485**	460,020
Expenses	**(361,209)**	(455,173)
(Loss) / Profit before income tax	**(9,724)**	4,847
Income tax expense	**(62)**	(607)
(Loss) / Profit after income tax of discontinued operation	**(9,786)**	4,240
Gain on sale of the subsidiary after income tax (i)	**277,280**	-
Profit from discontinued operation	**267,494**	4,240

(i) Details of the of the subsidiary deconsolidated as at 16 October	2023
Consideration - fair value of retained interest in Amwaj (ii)	**344,623**
Less: carrying amount of net assets deconsolidated (iii)	**(67,343)**
Gain on disposal	**277,280**

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11. Assets held for sale and discontinued operations (continued)

11.2 Discontinued operations (continued)

(a) Amwaj Catering Services (continued)

(ii) Fair value of retained interest in Amwaj was determined in compliance with the provisions of IAS 28, as a notional purchase price allocation (NPPA) was undertaken to account for the transaction. The Group applied judgment with the support of an independent valuer in order to determine the fair values of the combining entities and the fair values that formed part of the notional purchase price allocation using discounted cashflows. The fair value of 344.62 million was transferred to investment in joint venture as of 16 October 2023.

(iii) The carrying amounts of assets and liabilities derecognised as of 16 October 2023 were:

	2023
Property and equipment	**9,626**
Right-of-use assets	**35,869**
Total non-current assets	**45,495**
Inventories	**13,768**
Trade and other receivables	**130,170**
Cash and bank balances	**127,414**
Total current assets	**271,352**
Total assets	**316,847**
Lease liabilities	**8,433**
Provision for employees’ end of service benefits	**32,025**
Provision for decommissioning costs	**46,081**
Total non-current liabilities	**86,539**
Lease liabilities	**26,987**
Trade and other payables	**135,978**
Total current liabilities	**162,965**
Total liabilities	**249,504**
Net assets	**67,343**

iv) Cash outflow as at 16 October 2023	**2023**
Cash consideration	**-**
Less cash disposed	**(127,414)**
Net outflow of cash on disposal of a subsidiary	**(127,414)**

(v) Cash flows related to discontinued operations (Amwaj)

For the period / year ended	**16 October 2023**	31 December 2022
Net cash inflow / (outflow) from operating activities	**97,589**	(1,095)
Net cash (outflow) / inflow from investing activities	**(5,592)**	21,329
Net cash outflow from financing activities	**(85,977)**	(13,781)
Net increase in cash generated by the subsidiary	**6,020**	6,453

(b) Joint ventures held for sale

(i) The below table presents profit / (loss) relating to discontinued operations of joint ventures held for sale:

	2023	2022
Share of (loss) / profit from joint ventures	**(58,957)**	50,141
Impairment loss on investment in ALNG (Note 11.1(b))	**(619,138)**	-
	(678,095)	50,141

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11. Assets held for sale and discontinued operations (continued)

11.2 Discontinued operations (continued)

(b) Joint ventures held for sale (continued)

(ii) The Group recognised loss on foreign currency translation from ALNG amounting to QR 49.79 million (2022: QR 90.13 million) in other comprehensive income as part of discontinued operations (Note 19(iv)).

(iii) Cash flows from discontinued operations related to joint ventures held for sale:

	2023	2022
Net cash used in operating activities	**-**	-
Net cash used in investing activities	**107,380**	103,530
Net cash used in financing activities	-	-
	107,380	103,530

12. Inventories

	2023	2022
Crude oil, gas and refined products	**1,990,595**	2,356,969
Steel and other related products	**710,455**	577,827
Maintenance and other materials	**6,054,942**	5,928,358
	8,755,992	8,863,154
Less: provision for obsolescence	**(751,116)**	(756,764)
	8,004,876	8,106,390

Movement in the provision for obsolescence was as follows:

	2023	2022
As at 1 January	**756,764**	686,331
(Reversal) / provision during the year (Note 28)	**(5,648)**	74,285
Adjustment	**-**	(3,852)
As at 31 December	**751,116**	756,764

13. Amounts due from Government of Qatar

Represents the outstanding balances receivable from the Ministry of Finance of the Government of Qatar at the year end. None of the balances with the Ministry of Finance at the end of the reporting period are past due and taking into account the current credit ratings of the Ministry, the Group's management has assessed that there is no impairment, and hence has not recorded any loss allowances on these balances.

Balance and transactions with the Ministry of Finance have been disclosed in Note 16 (e).

14. Accounts receivables and prepayments

	2023	2022
Due from related parties (Note 16(b))	**6,088,917**	7,795,241
Trade and insurance receivables (Note a)	**11,420,698**	14,459,201
Reinsurance contract assets	**740,113**	1,091,277
Loans to employees (Note b)	**550,690**	508,054
Advances to vendors	**451,913**	441,330
Prepayments and other debit balances	**658,319**	351,239
Contract assets (Note d)	**1,491,907**	1,157,427
Loans and advances to related parties (Note 16(a))	**-**	392,819
Accrued interest (Note e)	**249,118**	259,524
Other receivables	**1,567,072**	4,957,849
Derivative financial assets (Note c)	**134,405**	1,496
Lease receivables (Note 10(a))	**69,758**	61,956
	23,422,910	31,477,413
Less: loss allowance (i)	**(575,981)**	(644,920)
	22,846,929	30,832,493

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14. Accounts receivable and prepayments (continued)

(i) The breakup of loss allowance is as follows.

	2023	2022
Trade and insurance receivables (Note 14(a))	**407,334**	510,248
Loans to employees (Note 14(b))	**42,973**	43,003
Contract assets (Note 14(d))	**21**	236
Accrued interest (Note 14(e))	**24,768**	24,768
Due from related parties (Note 16(b))	**100,885**	66,665
	575,981	644,920

a. Trade and insurance receivables

	2023	2022
Trade and insurance receivables	**11,420,698**	14,459,201
Loss allowance	**(407,334)**	(510,248)
	11,013,364	13,948,953

The average credit period on sales of goods is thirty (30) days to ninety (90) days. The Group does not hold any collateral over these balances.

The Group measures the loss allowance for trade receivables at an amount equal to lifetime ECL using the simplified approach. The expected credit losses on trade receivables are estimated using a provision matrix by reference to past default experience of the debtor and an analysis of the debtor's current financial position, adjusted for factors that are specific to the debtors, general economic conditions of the industry in which the debtors operate and an assessment of both the current as well as the forecast direction of conditions at the reporting date. During the year, the Group has recognised a reversal of loss allowance of QR 82 million (2022: provision for loss allowance of QR 26 million) against trade receivables (Note 30).

The Group writes off a trade/insurance receivable when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery.

The following table details the risk profile of trade/insurance receivables based on the Group's provision matrix. As QatarEnergy's historical credit loss experience does not show significantly different loss patterns for different customer segments, the provision for loss allowance based on past due status is not further distinguished between the Group's different customer base.

	Trade/insurance receivables – days past due					
31 December 2023	**Not past due**	**0 – 30 days**	**30 – 60 days**	**60 – 120 days**	**> 120 days**	**Total**
Gross carrying amount	9,359,586	679,862	63,472	124,118	1,193,660	11,420,698

	Trade/insurance receivables – days past due					
31 December 2022	Not past due	0 – 30 days	30 – 60 days	60 – 120 days	> 120 days	Total
Gross carrying amount	10,957,006	834,358	246,414	457,185	1,964,238	14,459,201

As at the reporting date, the expected credit loss rate ranged from 0% - 3.4% (2022: 0% - 9.9%) resulting in a lifetime ECL of QR 407 million (2022: QR 510 million).

The following table shows the movement in lifetime ECL that has been recognised for trade receivables in accordance with the requirements set out in IFRS 9.

	2023	2022
As at 1 January	**510,248**	509,092
Expected credit loss allowance remeasured during the year (Note 30)	**(82,432)**	25,924
Adjustments	**(20,482)**	(24,768)
As at 31 December	**407,334**	510,248

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14. Accounts receivable and prepayments (continued)

b. Loans to employees

	2023	2022
Loans to employees	**550,690**	508,054
Loss allowance	**(42,973)**	(43,003)
	507,717	465,051

The following table shows the movement in lifetime ECL that has been recognised for loans to employees in accordance with the requirements set out in IFRS 9.

	2023	2022
As at 1 January	**43,003**	43,003
ECL recognised during the year (Note 30)	**(30)**	-
As at 31 December	**42,973**	43,003

c. Derivative financial assets and liabilities

The Group maintains active trading positions in a variety of derivatives. The contracts are entered into for risk management purposes. The contracts are classified as held for trading and are recognized at fair value with changes in fair value recognized in profit and loss.

Exchange traded derivatives are valued using closing prices provided by the exchange as of the reporting date. These derivatives are categorized within level 1 of the fair value hierarchy. Over the counter (OTC) derivative financial instruments are generally valued using readily available information in the public markets and quotations provided by brokers and price index developers. These quotes are corroborated with market data and are categorized within level 2 of the fair value hierarchy.

Financial OTC instruments are valued using industry standard models that consider various assumptions, including quoted forward prices for commodities, time value, volatility factors, and contractual prices for the underlying instruments, as well as other relevant economic factors. The degree to which these inputs are observable in the forward markets determines whether the option is categorized within level 2 or level 3 of the fair value hierarchy. All of the derivative financial instruments of the Group are with third parties.

	2023	2022
Derivatives held for trading		
Derivative financial assets	**134,405**	1,496
Derivative financial liabilities (Note 25)	**94,159**	134,858

d. Contract assets

	2023	2022
Contract assets	**1,491,907**	1,157,427
Loss allowance	**(21)**	(236)
	1,491,886	1,157,191

The following table shows the movement in lifetime ECL that has been recognised for contract assets in accordance with the requirements set out in IFRS 9:

	2023	2022
As at 1 January	**236**	62
(Reversal) / provision of expected credit loss allowance (Note 30)	**(215)**	174
As at 31 December	**21**	236

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14. Accounts receivable and prepayments (continued)

e. Accrued interest

	2023	2022
Accrued interest	**249,118**	259,524
Loss allowance (Note 16 (a) (ii))	**(24,768)**	(24,768)
	224,350	234,756

15. Cash and cash equivalents

	2023	2022
Cash at banks and on hand	**17,248,376**	40,457,482
Short-term deposits	**66,439,303**	53,740,033
Total cash and bank balances	**83,687,679**	94,197,515
Less: Loss allowance (Note ii)	**(1,939)**	(1,529)
Cash and bank balances as per consolidated statement of financial position	**83,685,740**	94,195,986
Less: Term deposits maturing after ninety (90) days	**(15,434,290)**	(10,227,653)
Less: Restricted cash (Note i)	**(665,183)**	(598,356)
Add: Loss allowance	**1,939**	1,529
Cash and cash equivalents as per consolidated statement of cash flows	**67,588,206**	83,371,506

i. As at 31 December 2023, certain cash balances and deposits amounting to QR 665 million (2022: QR 598 million) have been set aside for meeting the other liabilities and commitments.

ii. The group recognised additional loss allowance against bank balances amounting to QR 0.41 million (2022: Nil) (Note 30).

Cash at banks earns interest at floating rates based on daily bank deposit rates. Term deposits are made for varying periods between one day and six months depending on the immediate cash requirements of the respective Group entities at average interest rates of 1% to 6.65% (2022: 1.25% to 6.32%).

Balances with banks are assessed to have low credit risk of default since these banks are highly regulated by the central banks of the respective countries. Accordingly, the management of the Group estimates the loss allowance on balances with banks at the end of the reporting period at an amount equal to 12-month ECL. None of the balances with banks at the end of the reporting period are past due and taking into account the historical default experience and the current credit ratings of the bank, the management of the Group has assessed and recorded minimal impairment on these balances.

16. Related party balances and transactions

Related parties represent associated companies, the shareholder, directors and key management personnel of the Group, and entities controlled, jointly controlled or significantly influenced by such parties.

(a) Loans and advances to related parties

	2023	2022
Joint ventures of the Group		
Laffan Refinery Company Limited (LR) (Note i)	**1,375,920**	-
Laffan Refinery Company Limited (2) (LR2)	**-**	2,927,722
Arab Refining Company (ARC) (Note ii)	**189,320**	189,320
TOQAP Guyana BV (TOQAP) (Note iii)	**118,130**	116,736
SOLB Steel Company (Note iv)	**191,493**	-
Others	**728**	-
Total gross receivable	**1,875,591**	3,233,778
Less: Loss allowance (Note v)	**(832,130)**	(1,550,937)
Net receivable	**1,043,461**	1,682,841

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16. Related party balances and transactions (continued)

(a) Loans and advances to related parties (continued)

	2023	2022
Classified as below:		
Non-current asset (Note 10)	**1,043,461**	1,290,022
Current asset (Note 14)	**-**	392,819
	1,043,461	1,682,841

i. Details of loan to LR

On 5 September 2022, QatarEnergy entered into a Shareholder Loan Agreement (SLA) with LR for loan facility of USD 432 million (equivalent to QR 1,572.48 million) to fund the cost and expenses of LR. As per SLA clause 3, LR shall repay all loan amounts outstanding including unpaid interest on the final maturity date, which is on 29 September 2034. LR may prepay the whole or any part of the loan (but if in part, being a minimum amount of US$1,000,000 (equivalent to QR 3,640,000) unless otherwise agreed by QatarEnergy, and prepayment shall not result in the incurrence of any premium, penalty or break costs. Further, as per ARJVA clause 13.3, the repayment of outstanding loan shall be made only if there is available Net Free Cash, which is free cash less repayment of interest due, on the relevant quarterly payment date. Interest is paid on quarterly basis and interest rate is based on the percentage rate per annum which is the aggregate of the margin of 1.74%, reference rate (the applicable Term SOFR as of the Specified Time and for a period equal in length to the Interest Period of the Loan, and credit adjustment spread of 0.26161%. Interest rate during the year ranges from 6.8% to 7.4%.

ii. Details of the loan to ARC

On 13 May 2019, the Group ("lender"), ARC ("borrower") and QPI Egypt Ltd. ("subsidiary") entered into a Committed Further Shareholder Funding (CFSF) loan agreement under which the lender will provide loan to the borrower for the purpose of on-lending all amounts borrowed to Egyptian Refining Company, a joint venture of the borrower, to fund the new controlling account and to comply with the borrower's obligations in respect of the Committed Further Shareholding Payment Provisions in accordance with the terms of the Deed of Shareholder Support.

This loan is fully provided as of 31 December 2023 due to delays in project commencement, reduction in margins and default in debt service leading to potential debt restructuring in ERC.

Accrued interest income on this loan is QR 24.77 million (2022: QR 24.77 million) which is also fully provided.

iii. Details of the loan to TOQAP

On 3 February 2021, the Group, through its fully owned subsidiary QPIU ("lender") signed a shareholder loan agreement with TOQAP Guyana BV ("borrower") for an initial principal amount of USD 40 million (QR 145.6 million). This Agreement is entered into for consecutive periods of one (1) year starting from the signing date. During the year, the Group has withdrawn an amount of QR 2.30 million (USD 0.63 million) (2022: QR 27.21 million (USD 7.48 million)).

The borrower shall repay in full the amount of the loan at the maturity date (e.g., one year from the first withdraw down unless mutually agreed by parties to change the final maturity date) and the agreement will terminate at the final maturity date. During the year, the final maturity date was amended from 31 December 2023 to 31 December 2025.

iv. Details of advances to SOLB Steel

During the year, Qatar Steel made an advance of QR 191.49 million to SOLB steel Company (or SOLB) to fund its cash requirements with an objective to settle existing loans obtained by SOLB from financial institutions and get release of financial guarantee provided by Qatar Steel in its capacity as a shareholder. As per the terms of arrangement this amount will be settled as right issues in SOLB which will increase Qatar Steel's share from 31.03% to 40.378%. However, shares have not yet been issued as of the reporting date and related legal formalities are still in progress at the reporting date. Accordingly, the amount paid has been recorded as long-term advance in these consolidated financial statements.

v. Loss allowance

For the purpose of impairment assessment, the loss allowance is measured at an amount equal to lifetime ECL using the general approach. The expected credit losses on loans to related parties are estimated using factors that are specific to the debtors, general economic conditions of the industry in which the debtors operate and an assessment of both the current as well as the forecast direction of conditions at the reporting date.

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16. Related party balances and transactions (continued)

(a) Loans and advances to related parties (continued)

v. Loss allowance (continued)

The following table shows the movement in lifetime ECL that has been recognised for loans to related parties in accordance with the requirements set out in IFRS 9:

	2023	2022
As at 1 January	**1,550,937**	2,562,033
ECL recognized / (reversed) for the year (Note 30)	**636,435**	(1,011,096)
Expected credit loss allowance utilized during the year	**(1,355,242)**	-
As at 31 December	**832,130**	1,550,937

(b) Due from related parties

	2023	2022
Joint ventures of the Group		
QatarEnergy LNG S (1)	**868,327**	887,555
North Oil Company	**67,238**	62,164
Qatar Petrochemical Company Limited Q.P.S.C.	**126,001**	1,172,112
QatarEnergy LNG N (2)	**51,217**	543,211
Qatar Fuel Additives Company Limited Q.P.S.C.	**116,564**	551,304
Qatofin Company Limited	**110,837**	168,334
Qatar Chemical Company Limited	**97,443**	107,021
Qatar Chemical Company Limited II	**145,516**	224,519
Qatar Aluminium Limited	**22,495**	45,445
QatarEnergy LNG S (3)	**107,262**	379,008
QatarEnergy LNG	**1,437,414**	586,892
Laffan Refinery Company Limited II	**-**	330,886
Ras Laffan Olefins Company Limited	**18,355**	34,510
Laffan Refinery Company Limited	**-**	309,255
Gulf Drill L.L.C.	**227,263**	240,605
Associates of the Group		
Mesaieed Power Company Limited Q.P.S.C.	**103,761**	106,056
Umm Al Houl Power Q.P.S.C.	**376,187**	217,486
Laffan Refinery Company Limited	**272,451**	-
Ras Girtas Power Company	**386,602**	214,117
Qatar Metals Coating Company W.L.L.	**19,809**	14,249
Ras Laffan Power Company Limited (Q.P.S.C.)	**28,807**	12,970
Others	**1,505,368**	1,587,542
Total (Note 14)	**6,088,917**	7,795,241
Loss allowance	**(100,885)**	(66,665)
Net	**5,988,032**	7,728,576

Due from related parties are unsecured and non-interest bearing. These are collectible within the Group's normal credit term.

For the purpose of impairment assessment, the loss allowance is measured at an amount equal to lifetime ECL using the simplified approach. The expected credit losses on due from related parties are estimated using a provision matrix by reference to past default experience of the debtor and an analysis of the debtor's current financial position, adjusted for factors that are specific to the debtors, general economic conditions of the industry in which the debtors operate and an assessment of both the current as well as the forecast direction of conditions at the reporting date.

As at the reporting date, the expected credit loss rate ranged from 0.01% - 3.4% (2022: 0.1% - 5.4%).

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16. Related party balances and transactions (continued)

(b) Due from related parties (continued)

The following table shows the movement in lifetime ECL that has been recognised for due from related parties in accordance with the requirements set out in IFRS 9.

	2023	2022
As at 1 January	**66,665**	81,250
ECL provided / (reversed) during the year (Note 30)	**39,320**	(14,585)
Adjustment	**(5,100)**	-
As at 31 December	**100,885**	66,665

(c) Due to related parties

	2023	2022
Joint ventures of the Group		
QatarEnergy LNG S (2) (II) (Note i)	**445,900**	591,621
QatarEnergy LNG N (2) (Note i)	**300,418**	633,476
QatarEnergy LNG S (3) (Note i)	**1,300,027**	2,027,768
QatarEnergy LNG S (1) (Note i)	**1,223,029**	829,507
QatarEnergy LNG N (4) (Note i)	**206,075**	745,969
QatarEnergy LNG N (3) (Note i)	**238,310**	-
Laffan Refinery Company Limited 2	**-**	715,056
Laffan Refinery Company Limited	**-**	406,457
QatarEnergy LNG	**971,625**	378,156
North Oil Company (Note i)	**1,027,350**	1,007,689
Associates of the Group		
Laffan Refinery Company Limited	**787,231**	-
Others	**524,467**	421,817
Total (Note 25)	**7,024,432**	7,757,516

i. These amounts mainly represent amounts received from the joint ventures under 'Acceptable Credit Support' agreement. This non-interest-bearing amount is repayable within three to fifteen business days upon demand.

ii. Due to related parties are unsecured and non-interest bearing. These are payable within the normal terms and operations of the Group.

(d) Related party transactions

	2023	2022
Operating income		
Joint ventures of the Group		
QatarEnergy LNG N (2)	**324,631**	321,434
QatarEnergy LNG S (1)	**3,433,362**	4,074,271
Laffan Refinery Company Limited	**-**	7,820,958
Qatar Fuel Additives Company Limited Q.S.C.	**1,080,105**	1,553,815
Associates of the Group		
Laffan Refinery Company Limited	**6,295,075**	-
Ras Girtas Power Company Limited	**1,583,271**	1,517,898
Umm al Houl Power Company Limited	**1,261,226**	1,146,307
Others	**13,541,144**	9,337,684
	27,518,814	25,772,367

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16. Related party balances and transactions (continued)

(d) Related party transactions (continued)

Purchases

	2023	2022
Joint ventures of the Group		
Laffan Refinery Company Limited (2)	**-**	10,145,849
Laffan Refinery Company Limited	**-**	6,562,036
QatarEnergy LNG S (1)	**661,841**	737,730
Qatar Petrochemical Company	**123,507**	151,730
Barzan Gas Company Limited	**3,216,675**	3,498,111
Amwaj Catering Services Company	**71,916**	-
Associates of the Group		
Laffan Refinery Company Limited	**13,040,664**	-
Others	**317,272**	271,800
	17,431,875	21,367,256
Dividends received from joint ventures (Note 8(b))	**50,939,637**	75,648,900
Dividends received from associates (Note 7)	**1,122,240**	1,159,472

(e) Balance and transactions with the Ministry of Finance (where MOF acts on behalf of Government of Qatar)

	2023	2022
Balance at 1 January	**60,497,928**	48,056,749
Sales revenue collected by Ministry of Finance (MOF) on behalf of QatarEnergy	**30,998,481**	36,749,923
Grant income from Government (Note 27 (i))	**339,396**	425,849
Cash transfers to MOF	**178,724,529**	208,120,483
Dividend transferred to shareholder during the year (Note 40)	**(129,801,795)**	(82,074,789)
Taxes paid to the Government (Note 32)	**(21,076,840)**	(26,581,297)
Royalties paid to the Government (Note 28(ii))	**(9,913,141)**	(11,919,743)
Collections on behalf of the Government:		
QatarEnergy LNG N Ventures royalty collection	**(35,999,036)**	(48,812,402)
QatarEnergy LNG S Ventures royalty collection	**(35,322,026)**	(36,469,061)
North Oil royalty collection / supplementary contribution	**(19,518,232)**	(24,009,927)
Barzan royalty	**(1,238,260)**	(1,591,371)
Al-Khalij royalty collection / supplementary contribution	**(735,112)**	(537,229)
Other transactions	**1,413,291**	(859,257)
Balance at 31 December	**18,369,183**	60,497,928

(f) Key management personnel's remuneration

The remuneration of the directors of the Group and other key management personnel in the Group entities is set out below:

	2023	2022
Remuneration and other benefits	**127,943**	131,309

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16. Related party balances and transactions (continued)

(g) Government related entities

QatarEnergy is owned by the Supreme Council for Economic Affairs and Investment of the State of Qatar ("Government") and accordingly all government related entities i.e., the entities which are under the control, joint control or significant influence of the Government are related parties of the Group. The Group has claimed the partial exemption available under IAS 24 for not disclosing related party balances and transactions with Government related entities. For the year ended 31 December 2023, 25% (2022: 29%) of total sales are made to two government-related entities, other than those which are disclosed in Note 16(d). Further, 28% (2022: 28%) out of trade receivables are related to two government-related entities, other than those which are disclosed in Note 16(b). Management has determined that all other transactions and balances with Government related entities (other than those disclosed above) are not significant individually or collectively.

17. Capital

	2023	2022
Authorised and fully paid capital	**100,000,000**	100,000,000

The capital of the Corporation is assigned as per Article 6 of the Decree No. 10 of 1974 (as amended by Law No. 5 of 2012 and Law No.18 of 2021) which is wholly owned by SCEAI.

18. General reserve

As per Article 8 of the Decree No. 10 of 1974 (as amended by Law No. 5 of 2012 and Law No.18 of 2021), the Corporation shall have a general reserve in which 50% of the net profit will be transferred until the balance in general reserve is equal to the capital. Any subsequent transfer to general reserve will be subject to the approval of Board of Directors and SCEAI. In 2020, the Board of Directors in its meeting held on 21 April 2020 approved an additional transfer of QR 75,500 million to general reserve from retained earnings.

19. Other reserves

This account includes the following:

	2023	2022
Employee benefit reserve (i)	**(2,038,685)**	(1,935,829)
Fair value reserve (ii)	**2,888,091**	2,735,239
Hedging reserve (iii)	**74,101**	(970)
Foreign currency translation reserve (iv)	**(1,840,237)**	(1,955,663)
Legal and other reserves from subsidiaries	**728,961**	700,831
	(187,769)	(456,392)

(i) Employee benefit reserve

	2023	2022
At 1 January	**(1,935,829)**	(699,668)
Share of movement in employee benefits reserve during the year:		
From the Parent and subsidiaries	**(102,229)**	(1,239,345)
From Joint ventures	**(2,912)**	(16,864)
	(105,141)	(1,256,209)
Share attributable to non-controlling interests	**2,285**	20,048
At 31 December	**(2,038,685)**	(1,935,829)

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19. Other reserves (continued)

(ii) Fair value reserve

	2023	2022
At 1 January	**2,735,239**	2,344,589
Share of movement in fair value reserve during the year:		
From the Parent and subsidiaries	**135,909**	200,100
From associates	**90,448**	12,711
	226,357	212,811
Share attributable to non-controlling interests	**(45,613)**	133,949
Other movements during the year	**(27,892)**	43,890
At 31 December	**2,888,091**	2,735,239

(iii) Hedging reserve

	2023	2022
At 1 January	**(970)**	(715,157)
Share of movement in hedging reserve during the year:		
From the Parent and subsidiaries	**-**	127,939
From Joint ventures	**(8,875)**	137,088
From associates	**5,868**	481,843
	(3,007)	746,870
Share attributable to non-controlling interests	**6,212**	(53,250)
Other movements during the year	**71,866**	20,567
At 31 December	**74,101**	(970)

(iv) Foreign currency translation reserve

	2023	2022 *(Re-presented)*
At 1 January	**(1,955,663)**	(1,785,912)
Share of movement in foreign currency translation reserve during the year:		
Continuing operations		
From the Parent and subsidiaries	**222,150**	(29,007)
From Joint ventures	**135,747**	(304,677)
	357,897	(333,684)
Discontinued operations		
From Joint venture (Note 11.2(b)(ii))	**49,790**	90,134
	407,687	(243,550)
Share attributable to non-controlling interests	**57,297**	13,982
Other movements during the year	**(349,558)**	59,817
At 31 December	**(1,840,237)**	(1,955,663)

20. Loans and bonds

This account includes the following:

	Current		**Non-current**	
	2023	2022	**2023**	2022
Interest bearing loans (Note a)	**268,102**	1,655,607	**4,138,728**	2,633,625
Bonds (Note b)	**569,522**	569,522	**45,342,428**	45,327,066
	837,624	2,225,129	**49,481,156**	47,960,691

20. Loans and bonds (continued)

(a) Interest bearing loans

	2023	2022
Loans related to drilling segment (i)	**4,380,446**	4,284,082
Loans related to aviation segment (ii)	**26,384**	10,010
	4,406,830	4,294,092
Less: unamortized finance cost associated with raising finance	**-**	(4,860)
	4,406,830	4,289,232

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

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

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

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

(b) Bonds

	2023	2022
USD Bonds (i)	**45,911,950**	45,896,588

i.) On 12 July 2021, the Group issued bonds denominated in USD amounting to QR 45,500 million (equivalent to USD 12,500 million) in four trenches having maturity periods from 5 to 30 years. These bonds are listed on London and Taipei Stock Exchange. The bonds are direct, unconditional, unsecured and unsubordinated and rank equally with other outstanding unsecured and unsubordinated indebtedness of the Group. The interests for bonds are payable at the coupon rate of interest on semi-annual basis. The following table summarizes the details of each bond:

Tranche	Amount (USD '000)	Amount (QR '000)	Issue price (%)	Maturity date	Interest rate per annum (%)	2023 Carrying value (QR '000)	2022 Carrying value (QR '000)
2026 Bonds	1,500,000	5,460,000	99.905	12 Sep 2026	1.375%	**5,479,954**	**5,478,969**
2031 Bonds	3,500,000	12,740,000	98.937	12 July 2031	2.25%	**12,762,208**	**12,749,630**
2041 Bonds	3,500,000	12,740,000	99.631	12 July 2041	3.125%	**12,884,229**	**12,882,430**
2051 Bonds	4,000,000	14,560,000	100	12 July 2051	3.3%	**14,785,559**	**14,785,559**
	12,500,000	**45,500,000**				**45,911,950**	**45,896,588**

Fair value of USD bonds at the reporting date amounted to QR 36,313 million (2022: QR 36,300 million). The fair value measurement has been categorized as a Level 1 (quoted prices (unadjusted) in active markets).

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21. Employee benefits

	2023	2022
Qatari pension scheme	**2,525,770**	2,454,736
Employees' end of service benefits	**3,078,540**	3,090,784
	5,604,310	5,545,520

The Group has two defined benefit plans as follows:

Qatari pension scheme

The Group has an unfunded scheme i.e., "Qatari pension scheme", where the present value of the defined benefit obligation is backed by a liability.

The Employee's Pension Scheme covers all pensioners and their dependents who retired from the services of QatarEnergy before the implementation of Qatari Pension Law No. 24 of 2002.

For pensioners, the monthly pension amount is calculated in accordance with the pension rules applicable before the implementation of Qatari Pension Law No. 24 of 2002. The benefits were on the basis of final salary by considering the length of service.

The pension benefits in respect to the dependents of the deceased pensioner are paid in accordance with the Qatar Labor Law.

The most recent actuarial valuation of the defined benefit plans was carried out at 31 December 2023 by an independent consultant appointed by the management.

Employees' end of service benefits

Employees' end of services benefits represent terminal gratuities and are provided for services rendered in accordance with entitlements stipulated in the employees' contract, the Group's policy and/or Qatar Labor Law number 14 of 2004. This plan is for all permanent employees including Qatari and non-Qatari employees. The Group has measured the liability using actuarial valuations as at 31 December 2023.

The present value of the defined benefit obligation, and the related cost, were measured using the projected unit credit method.

The principal assumptions used for the purpose of the actuarial valuation were as follows:

	Employees' end of service benefits		**Qatari pension scheme**	
	2023	2022	**2023**	2022
Discount rate	**4.03% - 5%**	4.25% - 5.20%	**4.25%**	4.25%
Salary increase rate	**2.8% - 3.5%**	3.0% - 3.5%	**-**	-
Plan duration	**9.2**	9.41	**8.48**	8.69
Mortality in service	**Swiss EVK 2000**	Swiss EVK 2000	**Swiss EVK 2000 adjusted**	Swiss EVK 2000 adjusted
Normal retirement age	**60 years**	60 years	N/A	N/A

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21. Employee benefits (continued)

***Employees' end of service benefits* (continued)**

Movements in the present value of the unfunded defined benefit obligation were as follows:

	Employees' end of service benefits		Qatari pension scheme	
	2023	2022	**2023**	2022
As at 1 January	**3,090,784**	2,564,914	**2,454,736**	1,777,589
Current service cost	**298,497**	280,614	**1,133**	-
Interest cost	**96,390**	80,210	**110,397**	72,248
Benefits paid	**(267,820)**	(247,047)	**(252,163)**	(222,353)
Reclassification	**(132,285)**	-	**132,285**	-
Other adjustment	**(29,873)**	-	**-**	-
Actuarial (gain) / loss charged to other comprehensive income due to experience adjustments	**22,847**	412,093	**79,382**	827,252
As at 31 December	**3,078,540**	3,090,784	**2,525,770**	2,454,736

Charge to profit or loss on account of unfunded defined benefit obligation was as follows:

	Employees' end of service benefits		Qatari pension scheme	
	2023	2022	**2023**	2022
Current service cost	**298,497**	280,614	**1,133**	-
Interest cost	**96,390**	80,210	**110,397**	72,248
For the year	**394,887**	360,824	**111,530**	72,248

Significant actuarial assumptions for the determination of the defined obligation are the discount rate, pension growth rate and salary growth rate. The sensitivity analysis below has been determined based on reasonable possible change of the respective assumptions occurring at the end of the reporting period, while keeping all other assumptions constant.

	Employees' end of service benefits		Qatari pension scheme	
	(Decrease) / increase in liability			
	2023	2022	**2023**	2022
Discount rate (+0.5%)	**(118,918)**	(115,552)	**(96,003)**	(100,644)
Discount rate (-0.5%)	**129,044**	125,146	**103,203**	108,008
Pension increase rate (+0.5%)	**-**	-	**105,603**	110,463
Salary increase rate (+0.5%)	**127,193**	122,737	**-**	-
Salary increase rate (-0.5%)	**(119,599)**	(115,541)	**-**	-

There was no change in the methods and assumptions used in preparing the sensitivity analysis from prior year.

22. Lease liabilities

Lease liabilities are presented in the consolidated statement of financial position as follows:

	2023	2022
Current liabilities	**1,322,179**	839,835
Non-current liabilities	**4,996,946**	4,950,348
	6,319,125	5,790,183

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22. Lease liabilities (continued)

The movement in lease liabilities during the year was as follows:

	2023	2022
As at 1 January	**5,790,183**	2,232,085
Liabilities recognized during the year (Note 5(b))	**2,020,128**	3,714,521
Transfer to liabilities associated with assets held for sale (Note 11.1(a))	**(67,677)**	-
Lease modification (Note 5(b)(i))	**(230,361)**	(5,003)
Finance charges on lease liabilities (Note 31)	**442,408**	288,515
Asset acquisition	**-**	635,153
Business acquisition (Note 37.2)	**6,718**	-
Principal payments made	**(1,237,870)**	(764,980)
Interest paid	**(442,408)**	(288,515)
Effect of foreign currency translation	**95,420**	(21,593)
Derecognition and other adjustments	**(57,416)**	-
As at 31 December	**6,319,125**	5,790,183

23. Deferred income

	2023	2022
Deferred income	**1,063,291**	1,112,781

Classified as below:

	2023	2022
Current liabilities	**66,235**	51,581
Non-current liabilities	**997,056**	1,061,200
	1,063,291	1,112,781

(a) In 2010, an offshore facilities license agreement was executed among QatarEnergy LNG N (1), QatarEnergy LNG N (2), QatarEnergy LNG N(3), QatarEnergy LNG N(4), QatarEnergy LNG and QatarEnergy with an effective date from 19 December 2007. Under this agreement, QatarEnergy LNG N (1), QatarEnergy LNG N (2), QatarEnergy LNG N(3), and QatarEnergy LNG N(4) paid a one-time license fee of USD 54.19 million (QR 197.25 million) to QatarEnergy.

Throughout the life of the license, if the joint arrangement is required to refund any portion of the facility license fees in accordance with Article 2.3.3 of the license agreement, QatarEnergy is obligated to refund such portion of the facility license fees to the joint arrangement to enable the joint arrangement to refund licensees accordingly. The license fees have been treated as deferred income and are being amortised over the tenure of the agreement i.e., 22 years. Amount of revenue recognized during the year under "other operating income" in profit or loss amounted to QR 8.97 million (2022: QR 8.97 million). The carrying value as at 31 December 2023 amounted to QR 81 million (2022: QR 90 million).

(b) In 2014, a joint license agreement was executed among QatarEnergy LNG S(1), QatarEnergy LNG S(2), QatarEnergy LNG S(3), Barzan Gas Company Limited, AKG Marketing Company Limited, QatarEnergy LNG N(2), QatarEnergy LNG N(3), QatarEnergy LNG N(4), Laffan Refinery Company Limited, Qatar Shell GTL Limited, Dolphin Energy Limited, Oryx GTL Limited and Ras Laffan Olefins Company Limited with an effective date from January 1, 2013. Under this agreement, QatarEnergy granted a non-exclusive license share of Common Facilities for loading and export of products.

QatarEnergy received a one-time license fee of USD 251.2 million (QR 914.3 million). The license fees have been treated as deferred income and are being amortised over the tenure of the agreement i.e., 25 years. Revenue recognized during the year under other operating income in profit or loss amounted to QR 36.57 million (2022: QR 36.57 million). The carrying value as at 31 December 2023 amounted to QR 512 million (2022: QR 548.6 million).

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23. Deferred income (continued)

(c) In addition to above, the Group has received amounts from customers for the reimbursement of construction cost of pipelines which are to be used for the execution of gas supply agreements entered with the customers. These amounts have been treated as deferred income and are being amortised over the tenure of the agreements as these pipelines will be used exclusive for the supply to the respective customer. The carrying value as at 31 December 2023 amounted to QR 349 million (2022: QR 353 million).

(d) The Group has other deferred income of QR 121 million (2022: QR 121 million) as of 31 December 2023.

24. Other non-current liabilities

	2023	2022
Decommissioning provision (Note a)	**2,135,273**	3,053,536
Deferred tax liability (Note b)	**289,475**	252,383
Due to a related party (Note c)	**511,462**	-
Other liabilities	**80,110**	280,466
	3,016,320	3,586,385

a. Decommissioning provision

Movement of the decommissioning provision during the year was as follows:

	2023	2022
As at 1 January	**3,053,536**	1,905,915
Additions during the year	**4,421**	1,129,562
Unwinding of discount (Note 31)	**158,515**	73,431
Asset acquisition	**35,003**	29,203
Effect of foreign currency exchange differences	**36,508**	3,015
Payment during the year	**(22,669)**	(40,833)
Change in estimate charged to profit or loss	**(487,985)**	(18,351)
Change in estimate adjusted in property, plant and equipment	**(75,521)**	(28,406)
Transfer to liabilities associated with assets held for sale (Note 11.1(a))	**(520,454)**	-
Other adjustment	**(46,081)**	-
As at 31 December	**2,135,273**	3,053,536

b. Deferred tax liability

Deferred tax liability mainly represents taxable temporary differences on account of difference in the method of depreciation of assets for tax and accounting purposes (Note 32).

c. Due to a related party

On 26 May 2019, Barzan Gas Company Limited (Q.P.J.S.C.) (‘Barzan’) entered into a settlement agreement with HD Kore Shipbuilding & Offshore Engineering Co., Ltd (formerly Hyundai Heavy Industries Co., Ltd (HHI)) to recover their outstanding Settlement Amount of USD 202.7 million (equivalent to QR 737.82 million) through the application of price reductions on future awards, contracts and/or projects and payment of any unrecovered remainder of such Settlement Amount by 26 May 2029. On 29 October 2023, QatarEnergy entered into an assignment and assumption agreement (‘the agreement’) with Barzan and accepted all of the rights, interest, duties, and obligations, including the right to recover, settle, discount, release, waive and/or further assign the Settlement Amount of USD 202.7 million.

Further, QatarEnergy and Barzan agreed that QatarEnergy will pay to Barzan for the assigned rights and interest no later than 31 December 2029. The consideration of QatarEnergy will take into account the costs required for assuming the risks and responsibility to recover the Settlement Amount.

An amount of USD 192.7 million (equivalent to QR 701.428 million) is estimated as a consideration payable to Barzan under the Agreement. Accordingly, in line with IFRS 9, it is recorded at a discounted amount of USD 140.51 million (equivalent to QR 511.46 million) using a discount rate of 5.41% (Qatar Government Six-years bond rate).

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24. Other non-current liabilities (continued)

c. Due to a related party (continued)

Further, QatarEnergy has recorded a receivable of USD 140.51 million (equivalent to QR 511.46 million) from HD Kore Shipbuilding & Offshore Engineering Co., Ltd which will be settled by entering into agreements for procurement of several newbuild LNG carriers.

25. Accounts payables and accruals

	2023	2022
Trade creditors (Note a)	**5,820,012**	5,271,989
Insurance contract liabilities	**1,251,728**	1,946,092
Accrued liabilities	**3,198,500**	2,109,123
Advance from customers	**300,976**	218,670
Financial guarantees (Note b)	**400,000**	400,000
Due to related parties (Note 16(c))	**7,024,432**	7,757,516
Derivative financial liabilities (Note 14(c))	**94,159**	134,858
Contract liabilities	**40,630**	76,244
Taxes payable	**235,384**	196,826
Earn-out liability (Note c)	**276,714**	277,736
Other payables	**2,161,524**	2,767,517
	20,804,059	21,156,571

a. Trade creditors include balances owed to suppliers relating to goods received and services incurred as at the reporting date wherein invoices were not yet received.

b. This represents the provisions on financial guarantees given to lenders of one of the Group's associates. As per the terms of the financial guarantee agreement, the maximum exposure of the Group is QR 489 million (2022: QR 489 million) upon which QR 400 million (2022: QR 400 million) is recognised as a liability.

c. The balance of refers to the earn-out payment obligation with Petrobras related to Sepia Acquisition. This payment is part of the HOA (Heads of Agreement) which states that earn-out is the complementary value which is linked to Brent Price. (Note 28).

26. Revenue

Revenue of the Group consists of the following:

	2023	2022
Revenue from contracts with customers (Note a)	**158,191,956**	187,596,461
Revenue from insurance contracts	**1,173,899**	897,547
	159,365,855	188,494,008

a. Revenue from contracts with customers

	2023	2022
Crude oil	**29,349,272**	36,014,359
Condensate	**18,756,212**	23,588,658
Natural gas	**51,785,039**	58,107,362
Refined products	**43,707,832**	48,588,716
Steel products	**4,264,178**	4,261,838
Fertilizers	**7,479,854**	14,531,756
Petrochemicals	**641,101**	581,061
Services	**1,402,067**	927,160
Others	**806,401**	995,551
	158,191,956	187,596,461

All revenue is recognised at a point in time except for the revenue from services amounting to QR 1,402 million (2022: QR 927 million) which is recognised over time.

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26. Revenue (continued)

a. Revenue from contracts with customers (continued)

The analysis of sales between domestic and export customers is as follows:

	2023	2022
Domestic sales	**50,692,123**	55,165,408
Export sales (i & ii)	**107,499,833**	132,431,053
	158,191,956	187,596,461

(i) This includes export sales made through Qatar Petroleum for the Sale of Petroleum Products Company Limited ("QPSPP") which has been setup exclusively for the marketing and selling of Regulated Products.

(ii) This also includes export sales made through Qatar Chemical and Petrochemical Marketing and Distribution Company Q.J.S.C. ("Muntajat"). Pursuant to Decree Law 11 of 2012 of the State of Qatar, Muntajat was established in the year 2012 to carry out marketing and distribution activities of all steel products and regulated chemical and petrochemical products.

27. Other income

	2023	2022
Recoveries	**1,911,701**	1,759,358
Rental income	**1,536,645**	727,712
Berthing fees	**676,969**	585,148
Terminal charges	**442,556**	409,136
Government grant (i)	**339,396**	425,849
Fair value gain in FVTPL investments (Note 9(b))	**48,611**	11,133
Interest income on net investment in finance lease	**106,778**	112,986
Signing bonus	**18,200**	364,000
Other income	**2,996,383**	2,785,861
	8,077,239	7,181,183

i. Government grant relates to the sale of refined products to Woqod at a subsidized price of which the loss has been covered by the Government (Note 16(e)). Income from grant is recognised on sale of refined products to Woqod as there are no other conditions attached to the grant.

28. Operating, selling and administrative expenses

	2023	2022
Direct costs	**24,168,231**	20,985,399
Purchases for resale	**23,236,985**	27,856,149
PSAs operating costs	**3,490,003**	3,615,219
Taxes paid on behalf (Note i)	**8,083,908**	8,988,187
Royalties (Note ii)	**10,420,124**	12,349,787
Net impairment loss (Note iii)	**509,993**	3,620
Salaries and related costs (Note iv)	**9,164,578**	9,289,586
Foreign exchange loss	**26,680**	67,447
Write-off of property, plant and equipment (Note 5(a)(iii))	**1,688,712**	784,755
Write-off of intangible assets (Note 6 (iv))	**-**	14,014
Write-off of right-of-use assets (Note 5(b)(i))	**-**	27
Provision for earn-out liability (Note 25(c))	**276,714**	277,736
(Reversal) / provision for inventory obsolescence (Note 12)	**(5,648)**	74,285
Loss on merger of joint ventures (Note 7(iv))	**230,100**	-
Other expenses (Note v)	**901,109**	1,295,897
	82,191,489	85,602,108

(i) Represent tax charged on the income of operators who are parties to certain Production Sharing Agreements amounting to QR 8,084 million (2022: QR 8,988 million). This tax obligation has been assumed by QatarEnergy on behalf of the operators in relation to the respective Production Sharing Agreements.

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28. Operating, selling and administrative expenses (continued)

(ii) Includes royalties due to the Ministry of Finance (as Government) amounting to QR 9,913.14 million (2022: QR 11,919.74 million) derived from oil and gas export sales, primarily on an ad-valorem basis depending upon the earnings type and resources (Note 16(e)). Royalties are applied at a rate of 20% on crude oil and refined product exports, and at a rate of 12.5% on gas product exports, including condensates.

This also includes QR 149.82 million (2022: QR 142 million) on account of royalty on crude oil equal to 10% of the oil sales of Al Khalij Block 6 Field and QR 361.84 million (2022: QR 308.83 million) on account of royalty on crude oil equal to 10% - 15% of the oil production of BC-10 and Sepia block.

(iii) Details of the recognition of impairment losses are as follows:

	2023	2022
Impairment loss on other property, plant and equipment (Note 5(a) iv) – net of reversal	**276,167**	2,285
Impairment on investment in associates (Note 7(iv))	**233,791**	-
Investment property (Note 5(c))	**35**	1,335
	509,993	3,620

(iv) This includes defined benefit obligation expense amounting to QR 506.42 million (2022: expense of QR 433.07 million) (Note 21).

(v) This includes fee for annual audit of the financial statements and non-assurance services for the year ended 31 December 2023 amounting to QR 4.85 million and QR 7.01 million, respectively.

29. Depreciation and amortization

	2023	2022
Depreciation of property, plant and equipment (Note 5(a))	**11,847,542**	12,372,104
Depreciation of right-of-use assets (Note 5(b))	**1,336,644**	837,900
Depreciation of investment property (Note 5(c))	**16,587**	16,454
Amortization of intangible assets (Note 6)	**454,486**	380,812
Amortization of catalysts	**17,679**	25,066
	13,672,938	13,632,336

30. Provision for / (reversal of) expected credit losses

	2023	2022
(Reversal of) / Provision for ECL on trade and insurance receivables (Note 14(a))	**(82,432)**	25,924
Reversal of ECL on loans to employees (Note 14(b))	**(30)**	-
Provision for / (Reversal of) ECL on loans to related parties (Note 16(a))	**636,435**	(1,011,096)
Provision for / (Reversal of) of ECL on due from related parties (Note 16(b))	**39,320**	(14,585)
Provision for ECL on bank balances (Note 15)	**410**	-
(Reversal of) / Provision for impairment of contract assets (Note 14 (d))	**(215)**	174
Provision for / (Reversal of) ECL on other financial assets	**233**	(3,622)
	593,721	(1,003,205)

31. Finance charges

	2023	2022
Interest on loans, bonds and foreign currency swaps	**1,445,226**	1,520,980
Interest on lease liabilities (Note 22)	**442,408**	288,515
Unwinding of discount on decommissioning provision (Note 24(a))	**158,515**	73,431
Others	**36,808**	34,076
	2,082,957	1,917,002

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32. Taxes

Provision for taxation for the year is as follows:

	2023	2022 *(Represented)*
Taxes on income from export sales of QatarEnergy (Note i)	**21,076,840**	26,581,297
Current income tax from continuing operations	**334,027**	469,776
Deferred tax (Note ii)	**114,429**	(145,745)
	21,525,296	26,905,328

i. These taxes are calculated at a rate of 85% of the taxable income for crude oil and refined products. For gas and condensate products, taxes are calculated at 50% of the taxable income however the total of royalty and taxation for gas and condensate products should not exceed 50% of the taxable income. Taxable income is determined on the value of all applicable export sales less the costs of operations, depreciation and amortization, and royalties. For the year ended 31 December 2023, taxes amounting to QR 21,077 million (2022: QR 26,581 million) were recognized in profit of loss. Refer Note 16(e).

Details of the taxes on income from QatarEnergy's export sales are as follows:

	2023	2022
Export sales subject to tax – net	**56,856,514**	68,485,545
Less:		
Royalties	**9,913,141**	11,919,743
Taxes paid on behalf	**7,616,357**	8,576,204
Cost of operation and depreciation	**6,288,249**	6,517,896
Taxable income	**33,038,767**	41,471,702
Tax rate	**50% – 85%**	50% – 85%
Taxes	**21,076,840**	26,581,297

ii. The deferred tax has arisen mainly due to the temporary differences on unrealized foreign exchange loss and carried forward tax losses.

Movement in the balance of deferred tax during the year was as follows:

	2023	2022
As at 1 January	**519,183**	347,700
Recognised during the year	**(114,429)**	145,745
Effect of foreign currency translation	**74,911**	25,738
As at 31 December	**479,665**	519,183

Presented in consolidated statement of financial position as follows:

	2023	2022
Deferred tax asset (Note 10)	**769,140**	771,566
Deferred tax liability (Note 24)	**(289,475)**	(252,383)
	479,665	519,183

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

The amendments to IAS 12 have been introduced in response to the OECD's BEPS Pillar Two rules and include:

- A mandatory temporary exception to the recognition and disclosure of deferred taxes arising from the jurisdictional implementation of the Pillar Two model rules; and
- Disclosure requirements for affected entities to help users of the financial statements better understand an entity's exposure to Pillar Two income taxes arising from that legislation, particularly before its effective date.

The International Tax Reform - Pillar Two Model Rules (Amendments to IAS 12) provide a temporary mandatory exception from deferred tax accounting which is effective immediately and require new disclosures about the Pillar Two exposure.

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32. Taxes (continued)

However, since in Qatar, where the Company and consolidated Qatar subsidiaries are resident and in Argentina, Bahamas, Brazil, Cayman Islands, India, KSA, Libya, Mexico, Morocco, Mozambique, Oman, Republic of Liberia, Turkey, USA, and UAE where consolidated subsidiaries are resident, have not enacted or substantively enacted the tax legislation related to the top-up tax as at the reporting date, there is no impact on the Company's consolidated financial statements as at and for the year ended 31 December 2023.

An assessment was performed to determine the impact of the enacted or substantively enacted tax legislation related to the top-up tax in Canada, Netherlands, and United Kingdom where consolidated subsidiaries are resident. As at the reporting date, there is no impact from the enacted or substantively enacted tax legislation at a standalone or consolidated level.

Management is closely monitoring developments related to the implementation of the international tax reforms introducing a global minimum top-up tax.

The adoption of the new accounting standards and amendments did not have a significant impact on these Group's consolidated financial statements for this year.

33. Social fund contribution

In accordance with Law No. 13 of 2008, the Group made an appropriation of profit of QR 177 million (2022: QR 312 million) which is equivalent to 2.5% of the adjusted net profit of listed subsidiaries for the year for the support of sports, cultural, social and charitable institutions.

34. Contingent liabilities and commitments

a. Capital commitments

	2023	2022
Capital commitments of the Group	**19,270,261**	16,211,377
Group's share of joint ventures' capital commitments	**163,140,405**	130,591,138
Group's share of associates' capital commitments	**148,034**	50,340
	182,558,700	146,852,855

b. Contingent liabilities

	2023	2022
Claims against the Parent (i)	**-**	-
Contingent liabilities of the subsidiary companies	**2,302,203**	2,141,545
Group's share of joint ventures' contingent liabilities	**4,708,400**	4,851,938
Group's share of associates' contingent liabilities	**135,535**	195,688
	7,146,138	7,189,171

(i) Claims against the Parent

As at 31 December 2023, claims against the Parent amounted to QR 508 million (2022: QR 553 million). These claims pertain mainly to court cases related to contractual and employment disputes. While settlement of these claims cannot be predicted with certainty, management does not expect these claims to have a material effect on the Group's financial position. Further, various other claims related to operations and infrastructure have been made against the Group which are currently under review and negotiation with the respective counterparties. Management does not expect these claims to have a material effect on the Group's financial position as of the reporting date.

(ii) Guarantees provided by the Group

- In 2013, QatarEnergy transferred a portion of its shares in the Qatar Chemical Company Limited (Q-Chem) and in the Qatar Chemical Company Limited II (Q-Chem II) to MPHC. QatarEnergy has provided a guarantee to the other shareholders in these joint ventures with respect to the due and timely performance of all obligations of MPHC as a shareholder arising from the respective Joint Venture Agreements.

34. Contingent liabilities and commitments (continued)

b. Contingent liabilities (continued)

(ii) Guarantees provided by the Group (continued)

- In 2023, QatarEnergy Brasil LTDA. (an indirect 'subsidiary' of QatarEnergy) has entered into a concession agreement, for exploration and production of Oil and Gas in Block BC-10 ('the Block'), with Agencia Nacional do Petroleo, Gas Natural e Biocombustiveis ('ANP') which includes financial obligations related to decommissioning of the Block. The decommissioning obligation, under the contract, for the Block amounted to approximately USD 139.5 million (equivalent to QR 505.94 million). QatarEnergy, on behalf of its subsidiary, has provided a guarantee to ANP with respect to the decommissioning obligation of the Block arising under the concession agreement. The term of the guarantee is up to 30 December 2025.

- In 2023, QatarEnergy, on behalf of Ras Girtas Power Company (RGPC), has provided a guarantee to "HSBC Bank USA, National Association" and "MUFG Bank Limited" (collectively referred as 'beneficiaries') for prompt and due payments by RGPC for the bank borrowings, under the Common Terms Agreement (CTA) dated 05 August 2008 and further amended on 13 August 2008. The maximum guarantee by QatarEnergy is lesser of USD 24.75 million (equivalent to QR 90.09 million) or 15% of Senior Debt Service Reserve Account (DSRA) required balance (the amount equal to the aggregate of the Senior Debt Service payable by RGPC over the next six months from the actual facility date). The term of the guarantee shall continue until full and final payments has been made by RGPC under CTA.

(iii) Other contingent liabilities

- On 3 November 2022, Tax Appeal Committee (TAC) issued its appeal decision in relation to the 2015 Tax Assessment. The TAC decided the appeal in favor of the GTA. Being aggrieved with the appeal decision, QatarEnergy LNG N (1) (a subsidiary of the Group) filed an appeal against TAC decision in the Court of Appeal.

  The Court of Appeal in its decision on 27 December 2023 provided a partial relieve to QatarEnergy LNG N (1) by allowing the subsidiary to claim certain expenses.

  Management has assessed the QatarEnergy LNG N(1)'s position under the aforementioned Court of Appeal decision, related recent developments and based on the discussions with legal counsel, and believes that it has meritious defense in law and fact, and has concluded that it is probable (i.e., it is more likely than not) that the Court will accept the QatarEnergy LNG N(1)'s tax treatment in the objection, and chances of QatarEnergy LNG N(1) paying any additional amount to GTA in this regard are remote and accordingly no provision has been recognized in the consolidated financial statements of the Group.

- QatarEnergy LNG N (1) and certain joint ventures (all together "entities") of the Group entered into executed Joint Facility Agreements for certain facilities. Under these agreements, these entities, as one of the owners of the joint facilities, are required, within fifteen years of the effective date of the agreement, to formulate a plan to decommission and restore the respective sites of the joint facilities based on the useful lives of the individual components as determined by the Facilities' Management Committees of the respective joint facility, in accordance with the Environmental Laws of the State of Qatar and Internationally Accepted Petroleum Industry Practices and to propose a funding arrangement for such costs. The Facilities' Management Committees are required to review, modify and approve the Abandonment and Decommissioning Plan prepared by the Operator of the facilities and to determine and agree the basis for funding of the Abandonment and Decommissioning Plan. Entities obligation in this regard is contingent upon occurrence or non-occurrence of a future event which is not wholly within the control of the Group entities. Since, no commercial discussions among the owners of the joint facilities have been concluded as of 31 December 2023 and a funding plan is yet to be submitted to the Facilities' Management Committees, no provision has been made for any present obligation with respect to the costs of abandonment, decommissioning and site restoration of the joint facilities in the respective entities' financial statements.

34. Contingent liabilities and commitments (continued)

b. Contingent liabilities (continued)

(iii) Other contingent liabilities (continued)

- GTA issued income tax assessments to certain components of Industries Qatar Q.P.S.C. (IQ, the Group's subsidiary) for the years from 2012 to 2017, requiring the components to pay additional taxes and penalties of QR 954.6 million and disallowing some expenses amounting to QR 34.6 million.

  The components have submitted formal objections, as per the requirement of the tax law, rejecting the full amount claimed by the GTA within 30 days.

  Management has concluded that it is probable (i.e., it is more likely than not) that the GTA will accept the tax treatment in the objection and accordingly has not recorded a liability for the assessments received or for any potential further amounts which may be assessed in relation to this matter in subsequent years.

  Further, as per the terms of the Memorandum of Understanding (MOU) entered into between QatarEnergy, MOF and the GTA on 4 February 2020, MOF undertakes to settle any income tax amounts payable by these components for the previous years directly to the GTA. Based on the ongoing advanced discussions and correspondence between QatarEnergy, MOF, and the GTA, it is expected that the assessments will be withdrawn or resolved amicably between the involved parties.

c. Purchase and supply commitments

(i) To purchase from the State of Qatar and AKG Marketing Company Limited, under a gas supply agreement dated 4 June 2006, certain quantities of gas per day over a period of 25 years.

(ii) To supply natural gas to Dolphin Energy Limited, for export to the UAE, on behalf of the State of Qatar, together with Dolphin Investment Company, TotalEnergies EP Dolphin Upstream Limited, and Oxy Dolphin E&P LLC, per year over a period of 25 years from 21 July 2007. QatarEnergy commitment is the share of the State of Qatar under the DPSA for Dolphin project.

(iii) To purchase from Pearl GTL Project North Field under an ethane sale and purchase agreement dated 22 November 2018, certain quantities of ethane per day.

(iv) To purchase from Dolphin Gas Project under an Ethane Sale and Purchase Agreement dated 11 March 2009 certain quantities of ethane per day.

(v) To purchase from the Barzan under a gas supply agreement dated 8 December 2011, certain quantities of gas per day over a period of 21 years from 21 February 2020.

(vi) To purchase from the State of Qatar and Pearl GTL Project North Field under a Sale and Purchase Amendment and Restated Agreement dated 13 June 2021 (Previously entered into a GTL Gas Oil Sale and Purchase Agreement dated 14 Jan 2014 subsequently amended on 4 Jan 2017)), certain quantities of GTL Gasoil until 30 Jun 2026.

35. Financial instruments

Financial instruments represent any contractual agreement that creates a financial asset, financial liability or an equity instrument. Financial assets comprise bank balances, trade and other receivables, due from related parties, loans to related parties, financial assets at fair value though profit or loss (FVTPL) including derivative financial assets and financial assets at fair value though other comprehensive income (FVOCI). Financial liabilities comprise interest bearing loans and bonds, foreign currency swaps, trade and other payables and derivative financial liabilities.

Hierarchy for determining and disclosing the fair value of financial instruments carried at fair value by valuation technique is disclosed in Note 2.2.

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35. Financial instruments (continued)

Classes and categories of financial instruments and their fair values

The following table combines information about fair value hierarchy levels of financial assets and financial liabilities which are measured at fair value.

31 December 2023		**Carrying value**					**Fair value**			
	Valuation technique(s) and key input(s)	**Financial assets**		**Financial liabilities**			**Level**			
		FVTPL	**FVOCI**	**Fair value - hedging instruments**	**FVTPL**	**Total**	**1**	**2**	**3**	**Total**
Investments in equity instruments – quoted	Quoted price in an active market	745,367	4,836,009	-	**-**	**5,581,376**	5,581,376	-	-	**5,581,376**
Investments in equity instruments – unquoted	Based on unobservable inputs	-	1,502	-	**-**	**1,502**	-	-	1,502	**1,502**
Investments in debt instruments – quoted	Quoted price in an active market	133,094	328,501	-	**-**	**461,595**	461,595	-	-	**461,595**
Investment in management funds – quoted	Quoted price in an active market	-	33,251	-	**-**	**33,251**	33,251	-	-	**33,251**
Derivative financial assets	Based on observable inputs, other than quoted prices	-	134,405	-	**-**	**134,405**	-	134,405	-	**134,405**
Derivative financial liabilities	Based on observable inputs, other than quoted prices	-	-	-	(94,159)	**(94,159)**	-	(94,159)	-	**(94,159)**

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35. Financial instruments (continued)

Classes and categories of financial instruments and their fair values (continued)

31 December 2022	Valuation technique(s) and key input(s)	Carrying value					Fair value			
		Financial assets		Financial liabilities			Level			
		FVTPL	FVOCI	Fair value - hedging instruments	FVTPL	Total	1	2	3	Total
Investments in equity instruments – quoted	Quoted price in an active market	690,995	4,627,455	-	-	5,318,450	5,318,450	-	-	5,318,450
Investments in equity instruments – unquoted	Based on unobservable inputs	3,585	1,503	-	-	5,088	-	-	5,088	5,088
Investments in debt instruments – quoted	Quoted price in an active market	123,043	278,346	-	-	401,389	401,389	-	-	401,389
Investment in management funds – quoted	Quoted price in an active market	-	22,222	-	-	22,222	22,222	-	-	22,222
Derivative financial assets	Based on observable inputs, other than quoted prices	-	1,496	-	-	1,496	-	1,496	-	1,496
Derivative financial liabilities	Based on observable inputs, other than quoted prices	-	-	-	(134,858)	(134,858)	-	(134,858)	-	(134,858)
Foreign currency swap (i)	Based on observable market	-	-	-	-	-	-	-	-	-

(i) Foreign currency swaps are valued using valuation techniques which maximize the use of observable market data. The significant inputs required to fair value these foreign currency swaps are interest rates for the underlying currencies, discount rates for similar types of bonds, credit risk of the issuer and the other relevant economic factors which may influence the fair value.

Fair value of USD bonds is disclosed in Note 20 (b). The fair value of the remaining financial assets and liabilities, including bank balances, investment in unquoted debt instruments, trade and other receivables, due to and from related parties and loans to related parties approximate to the carrying value as per the book of accounts as most of these items are either short-term in nature or repriced frequently.

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 in 2023 and 2022.

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35. Financial instruments (continued)

Reconciliation of liabilities arising from financing activities

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

	At 1 January 2023	**Financing cash flows**	**Non-cash changes**	**At 31 December 2023**
Interest bearing loans	4,289,232	(172,934)	290,532	**4,406,830**
USD Bonds	45,896,588	-	15,362	**45,911,950**
Derivative financial liabilities	134,858	-	(40,699)	**94,159**
Lease liabilities	5,790,183	(1,680,278)	2,209,220	**6,319,125**

	At 1 January 2022	Financing cash flows	Non-cash changes	At 31 December 2022
Interest bearing loans	4,325,408	(37,035)	859	4,289,232
JPY Bonds	2,764,200	(2,334,100)	(430,100)	-
USD Bonds	45,312,067	-	584,521	45,896,588
Foreign currency swap	1,267,840	(1,570,001)	302,161	-
Derivative financial liabilities	1,045,281	-	(910,423)	134,858
Lease liabilities	2,232,085	(1,053,495)	4,611,593	5,790,183

36. Financial risk and capital management

36.1 Financial risk management objectives

Treasury function of each entity in the Group provides services to the business, co-ordinates access to domestic and international financial markets, monitors and manages the financial risks relating to the operations of the Group through internal risk reports which analyse exposures by degree and magnitude of risks. These risks include market risk (including foreign currency risk, interest rate risk and other price risk), credit risk, liquidity risk and insurance risk.

The Group seeks to minimize the effects of these risks by using derivative financial instruments to hedge risk exposures. The use of financial derivatives is governed by QatarEnergy's policies approved by the board of directors, which provide written principles on foreign exchange risk, the use of financial derivatives and non-derivative financial instruments, and the investment of excess liquidity. Compliance with policies and exposure limits is reviewed by the internal auditors on a continuous basis. There have been no changes in the objectives, policies and processes for managing and measuring risk from the previous year.

36.2 Market risk

Market risk is the risk that changes in market prices, such as commodity prices, 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 optimizing the return. The Group's activities expose it primarily to the financial risks of changes in commodity prices, foreign currency exchange rates and interest rates.

Commodity price risk

Volatility in prices of oil and gas and refined products is a pervasive element of the Group's business environment as the Group's production and purchase of certain products and sales of refined products and crude oil are based on international commodity prices in accordance with a commercial supply agreement entered into with sales agents. The Group's refining margin is affected by disproportionate fluctuations in the prices of crude oil and refined products.

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36. Financial risk and capital management (continued)

36.2 Market risk (continued)

Commodity price risk (continued)

The Group is also exposed significantly to commodity price risk, which arises from the purchase and consumption of large volumes of raw materials in its normal course of business. Raw material prices are linked to an index, which is volatile and influenced by worldwide factors such as political events, supply and demand fundamentals.

The Group does not use any derivative instruments to manage commodity price risks. The Group’s sensitivity to commodity prices has not changed significantly from the prior year.

Foreign currency risk

The Group undertakes certain transactions denominated in foreign currencies; consequently, exposures to exchange rate fluctuations arise. Management is of the opinion that the Group’s exposure to currency risk is not significant as most of its foreign currency transactions are in United States Dollar which is pegged to Qatari Riyal and its currency exposure on the bond issued in Japanese Yen is hedged through currency swap with United States Dollar. The details of the currency swap on the bonds issued are given in Note 20. Other material foreign currency financial instruments are given below:

	2023	2022
Financial assets: Cash bank balances in foreign currency		
Cash in banks:		
EURO	**60,060**	202,417
GBP	**150,909**	406,119
JPY	**2**	1
BRL	**78,871**	44,787
CAD	**7,268**	122,100
MXN	**347**	11
ZAR	**34,636**	31,710
	332,093	807,145

Foreign currency sensitivity analysis

A 10% strengthening / weakening of the Qatari Riyal against the above currencies as at reporting date would have decreased / increased profit or loss by an amount of QR 33.21 million (2022: QR 80.71 million). This analysis assumes that all other variables, in particular interest rates, remain constant. The analysis is performed on the same basis for 2022.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market interest rates. The Group’s exposure to the risk of changes in market interest rates relates primarily to the Group’s financial assets and liabilities with floating interest rates. These financial assets and liabilities with floating interest rates includes bank balances, loans and advances to related parties and interest-bearing loans which are mostly on floating rate basis.

Interest rate sensitivity analysis

For floating rate assets, the analysis is prepared assuming the amount of the assets held outstanding at the end of the reporting period was outstanding for the whole year. As at reporting date, if interest rates had been 10 basis point higher/lower with all other variables held constant, income for the year would have been QR 78 million (2022: QR 77.4 million) higher/lower, mainly as a result of higher/lower interest income on floating rate assets and liabilities.

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36. Financial risk and capital management (continued)

36.2 Market risk (continued)

Equity price risk

The Group's listed investments are susceptible to equity price risk arising from uncertainties about future values of the investments. The Group manages the equity price risk through diversification and placing limits on individual and total portfolio of equity instruments. Reports on the equity portfolio are submitted to QatarEnergy's senior management on a regular basis and results are reviewed by the Board of Directors of each Group entity.

As at the reporting date, the exposure to listed equity securities at fair value was QR 5,581 million (2022: QR 5,318 million) which includes both financial assets at FVOCI and financial assets at FVTPL. An increase or decrease of 10% on the Qatar Exchange (QE) index would have an impact of approximately QR 558 million (2022: QR 532 million) on the equity.

36.3 Credit risk

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group has adopted a policy of only dealing with creditworthy counterparties as a means of mitigating the risk of financial loss from defaults. The Group's exposure and the creditworthiness of its counterparties are continuously monitored and the aggregate value of transactions concluded is spread amongst approved counterparties. Credit exposure is controlled by counterparty limits that are reviewed and approved by the management annually.

The Group does not have any significant credit risk exposure to any single counterparty or any group of counterparties having similar characteristics. The Group defines counterparties as having similar characteristics if they are related entities. The Group holds performance bonds and bank guarantees to mitigate its credit risk association with its financial assets. Further, the Group limits its exposure on export customers by taking out letters of credit.

In order to minimise credit risk, QatarEnergy has tasked its Credit Management Committee to develop and maintain the Group's credit risk gradings to categorise exposures according to their degree of risk of default. The credit rating information is supplied by independent rating agencies where available and, if not available, the Credit Management Committee uses other publicly available financial information and the Group's own trading records to rate its major customers and other debtors. The Group's exposure and the credit ratings of its counterparties are continuously monitored and the aggregate value of transactions concluded is spread amongst approved counterparties.

31 December 2023	12-month or lifetime ECL	Gross carrying amount	Loss allowance	Net carrying amount
Trade and insurance receivables	Lifetime ECL	11,420,698	(407,334)	11,013,364
Lease receivable	Lifetime ECL	2,167,565	-	2,167,565
Due from related parties	Lifetime ECL	6,088,917	(100,885)	5,988,032
Loans and advances to related parties	Lifetime ECL	1,875,591	(832,130)	1,043,461
Loans to employees	12-month ECL	550,690	(42,973)	507,717
Investments in financial assets	Lifetime ECL	2,835,617	-	2,835,617
Amounts due from Government of Qatar	Lifetime ECL	18,369,183	-	18,369,183
Cash and bank balances	12-month ECL	83,687,679	(1,939)	83,685,740
Reinsurance contract assets	Lifetime ECL	740,113	-	740,113
Accrued interest	Lifetime ECL	249,118	(24,768)	224,350
Other receivables	Lifetime ECL	1,567,072	-	1,567,072
Derivative financial assets	Lifetime ECL	134,405	-	134,405
Contract assets	Lifetime ECL	1,491,907	(21)	1,491,886
Other non-current receivables	Lifetime ECL	14,086	-	14,086
		131,192,641	(1,410,050)	**129,782,591**

As at and for the year ended 31 December 2023 QR '000

36. Financial risk and capital management (continued)

36.3 Credit risk (continued)

31 December 2022	12-month or lifetime ECL	Gross carrying amount	Loss allowance	Net carrying amount
Trade and insurance receivables	Lifetime ECL	14,459,201	(510,248)	13,948,953
Lease receivable	Lifetime ECL	2,189,510	-	2,189,510
Due from related parties	Lifetime ECL	7,795,241	(66,665)	7,728,576
Loans and advances to related parties	Lifetime ECL	3,233,778	(1,550,937)	1,682,841
Loans to employees	12-month ECL	508,054	(43,003)	465,051
Investments in financial assets	Lifetime ECL	2,660,709	-	2,660,709
Amounts due from Government of Qatar	Lifetime ECL	60,497,928	-	60,497,928
Cash and bank balances	12-month ECL	94,197,515	(1,529)	94,195,986
Reinsurance contract assets	Lifetime ECL	1,091,277	-	1,091,277
Accrued interest	Lifetime ECL	259,524	(24,768)	234,756
Other receivables	Lifetime ECL	4,957,849	-	4,957,849
Derivative financial assets	Lifetime ECL	1,496	-	1,496
Contract assets	Lifetime ECL	1,157,427	(236)	1,157,191
Other non-current receivables	Lifetime ECL	13,104	(174)	12,930
		193,022,613	(2,197,560)	190,825,053

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

36.4 Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have 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.

Ultimate responsibility for liquidity risk management rests with the Board of Directors, which has built an appropriate liquidity risk management framework for the management of Group's short, medium and long-term funding and liquidity management requirements. The Group manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

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36. Financial risk and capital management (continued)

36.4 Liquidity risk (continued)

Analysis of financial assets

The table below summarises the maturity profile of the Group's financial assets as at the reporting date:

31 December 2023

		Cash inflows			
Financial assets	**Carrying amount**	**Total**	**Less than 1 year**	**1 to 5 years**	**More than 5 years**
Loans and advances to related parties	1,043,461	1,043,461	-	854,083	189,378
Due from related parties	5,988,032	5,988,032	5,988,032	-	-
Amounts due from Government of Qatar	18,369,183	18,369,183	18,369,183	-	-
Trade and other receivables*	11,521,081	11,521,081	11,521,081	-	-
Reinsurance contract assets	740,113	740,113	740,113	-	-
Investments in financial assets	2,835,617	2,835,617	-	2,835,617	-
Derivative financial assets	134,405	134,405	134,405	-	-
Accrued interest	224,350	224,350	224,350	-	-
Other receivables	1,567,072	1,567,072	1,567,072	-	-
Other non-current receivables	14,086	14,086	-	14,086	-
Bank balances	83,685,740	83,685,740	83,685,740	-	-
	126,123,140	**126,123,140**	**122,229,976**	**3,703,786**	**189,378**

***** *Includes trade and insurance receivables and loans to employees.*

31 December 2022

		Cash inflows			
Financial assets	Carrying amount	Total	Less than 1 year	1 to 5 years	More than 5 years
Loans and advances to related parties	1,682,841	1,682,841	392,819	1,290,022	-
Due from related parties	7,728,576	7,728,576	7,728,576	-	-
Amounts due from Government of Qatar	60,497,928	60,497,928	60,497,928	-	-
Trade and other receivables *	14,414,004	14,414,004	14,414,004	-	-
Reinsurance contract assets	1,091,277	1,091,277	1,091,277	-	-
Investments in financial assets	2,660,709	2,660,709	-	2,660,709	-
Derivative financial assets	1,496	1,496	1,496	-	-
Accrued interest	234,756	234,756	234,756	-	-
Other receivables	4,957,849	4,957,849	4,957,849	-	-
Other non-current receivables	12,930	12,930	-	12,930	-
Bank balances	94,195,986	94,195,986	94,195,986	-	
	187,478,352	187,478,352	183,514,691	3,963,661	-

***** *Includes trade and insurance receivables and loans to employees.*

As at and for the year ended 31 December 2023 QR '000

36. Financial risk and capital management (continued)

36.4 Liquidity risk (continued)

Analysis of financial liabilities

The table below summarises the maturity profile of the Group's financial liabilities as at the reporting date based on undiscounted contractual repayment obligations:

31 December 2023

Financial liabilities	Carrying amount	Contractual cash outflows Total	Less than 1 year	1 to 5 years	More than 5 years
USD Bonds	45,911,950	69,207,637	1,809,852	10,271,170	57,126,615
Interest-bearing loans	4,406,830	5,971,930	362,566	5,609,364	-
Derivative financial liabilities	94,159	94,159	94,159	-	-
Trade creditors	5,820,012	5,820,012	5,820,012	-	-
Due to related parties	7,024,432	7,024,432	7,024,432	-	-
Financial guarantees	400,000	400,000	400,000	-	-
Insurance contract liabilities	1,251,728	1,251,728	701,908	549,820	-
Earn-out liability	276,714	276,714	276,714	-	-
Lease liabilities	6,319,125	8,239,111	1,950,035	3,477,026	2,812,050
	71,504,950	98,285,723	18,439,678	19,907,380	59,938,665

31 December 2022

Financial liabilities	Carrying amount	Contractual cash outflows Total	Less than 1 year	1 to 5 years	More than 5 years
USD Bonds	45,896,588	70,447,967	1,809,852	10,346,245	58,291,870
Interest-bearing loans	4,289,232	4,296,719	1,659,071	2,637,648	-
Derivative financial liabilities	134,858	134,858	134,858	-	-
Trade creditors	5,271,989	5,271,989	5,271,989	-	-
Due to related parties	7,757,516	7,757,516	7,757,516	-	-
Financial guarantees	400,000	400,000	400,000	-	-
Insurance contract liabilities	1,946,092	1,946,092	1,348,379	597,713	-
Earn-out liability	277,736	277,736	277,736	-	-
Lease liabilities	5,790,183	7,509,280	778,466	2,533,501	4,197,313
	71,764,194	98,042,157	19,437,867	16,115,107	62,489,183

36.5 Underwriting risk

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

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36. Financial risk and capital management (continued)

36.5 Underwriting risk (continued)

Underwriting risk management – Property and Casualty

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

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

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

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

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

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

Expense risk

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

36.6 Capital management

QatarEnergy manages its capital to ensure that it will be able to continue as a going concern while maximizing the return to stakeholders through the optimization of the debt and equity balance.

The capital structure of the Group consists of net debt comprising loans, bonds and lease liabilities which is offset by Cash and bank balances whilst the equity of QatarEnergy comprises contributed capital, general reserve, other reserves, retained earnings and non-controlling interest. The Group's management reviews the capital structure of the Group on an annual basis.

The gearing ratio at the end of the reporting period was as follows:

	2023	2022
Cash and bank balances (Note 15)	**83,685,740**	94,195,986
Less: debt	**(56,637,905)**	(55,976,003)
Net cash and bank balances	**27,047,835**	38,219,983
Total equity	**474,892,924**	503,386,285

The Group does not have a net debt situation as at 31 December 2023 and 31 December 2022.

As at and for the year ended 31 December 2023 QR '000

37. Acquisitions during the year

37.1 Acquisition of assets – Qatex Limited

On 15 August 2023, QatarEnergy acquired remaining 49% of the equity from other partners making Qatex Limited a wholly owned subsidiary of QatarEnergy. Qatex Limited was previously classified as a joint venture by virtue of the joint venture agreement entered into between QatarEnergy and other shareholder. Management has performed an assessment of this acquisition from a market participant's perspective based on the facts and conditions on the date of acquisition. As per the assessment, main component "Land to operate the business" and "contract with customer" are not available to Qatex limited and therefore, it is concluded that the acquired set of assets is not a business.

Details of the assets acquired, liabilities assumed and purchase consideration in this acquisition as of 15 August 2023 are as follows. The acquisition did not result in any goodwill or bargain purchase gain:

Carrying values of assets acquired and liabilities assumed:

Assets acquired	152,702
Liabilities assumed	(68,534)
	84,168

Purchase consideration:

Cash consideration for acquisition	6,037
Carrying value (previously recognised as investment in joint venture)	42,929
	48,966

As the purchase consideration is less than the net assets acquired, the difference of QR 35.20 million has been deducted from the carrying value of other assets. The assets acquired and liabilities assumed are as follow:

Property, plant and equipment (Note 5(a)(v))	870
Cash and bank balances	116,185
Other assets	445
Decommissioning liability (Note 24(a))	(35,003)
Other liabilities	(33,531)
	48,966

In addition to the above, the Group has acquired interests in a number of oil and gas fields / blocks in various countries, which are presented as part of additions to property, plant and equipment and / or intangible assets as appropriate and are not disclosed separately.

37.2 Acquisition of Business – Al Qataria for Production of Reinforcing Steel W.L.L.

On 5 October 2023, the Group acquired 100% shares and voting rights in Al Qataria for Production of Reinforcing Steel or "Al Qataria" which is located at New Industrial Area, Building 215, Street 27, P.O Box 23039, Doha, Qatar. The company's activities include the production of reinforcing steel bars and the trading in steel products. Currently it has annual production capacity of 500,000 MT's of rebar.

The transfer value ("Purchase consideration") of the acquisition is QR 346 million and the provisional fair value of the net assets acquired was QR 346 million before purchase price allocation. The Group has twelve months from the date of acquisition to complete a Purchase Price Allocation ("PPA") exercise which sets out in detail the way in which the fair value of the acquired Al Qataria assets and liabilities have been determined which will be reflected in subsequent financial statements. This exercise may result in different values being attributed to the assets, liabilities and contingent liabilities acquired, and the identification of other intangible assets, hence, change in the goodwill if any.

As at and for the year ended 31 December 2023 QR '000

37. Acquisitions during the year (continued)

37.2 Acquisition of Business – Al Qataria for Production of Reinforcing Steel W.L.L. (continued)

Below summarizes the details of assets acquired and liabilities assumed as per provisional Purchase Price Allocation:

	2023
Property, plant and equipment (Note 5(a))	345,037
Right of use assets (Note 5(b))	5,789
Cash and cash equivalents	920
Accounts receivables and prepayments	985
Employee benefits	(13)
Lease liabilities (Note 22)	(6,718)
Net identifiable assets	**346,000**
Less: considerations paid	**(346,000)**
Goodwill	**-**

Net cash paid:	
Total consideration paid	346,000
Less: Cash acquired as part of acquisition	(920)
Accounts receivables and prepayments	**345,080**

As at and for the year ended 31 December 2023 QR '000

38. Non-controlling interests

The following table summarises the information relating to each of the Group's subsidiaries that has material NCI, before any intra group eliminations.

31 December 2023	**Industries Qatar Q.P.S.C.**	**Gulf International Services Q.P.S.C.**	**Mesaieed Petrochemical Holding Company Q.P.S.C. (a)**	**Qatar Aluminium Manufacturing Company Q.P.S.C.**	**Qatar Fuel Company Q.P.S.C.**	**Intra-group eliminations**	**Total**
NCI percentage	**49.00%**	**90.00%**	**42.15%**	**49.00%**	**80.00%**		
Non-current assets	22,718,636	6,306,100	13,977,648	5,380,131	8,258,604		
Current assets	20,333,979	4,001,498	3,560,432	1,491,986	6,299,061		
Non-current liabilities	(806,169)	(4,259,933)	-	-	(241,865)		
Current liabilities	(2,270,105)	(2,211,012)	(454,953)	(116,292)	(4,902,013)		
Net assets	**39,976,341**	**3,836,653**	**17,083,127**	**6,755,825**	**9,413,787**		
Net assets attributable to NCI	**19,588,407**	**3,452,988**	**7,199,855**	**3,310,354**	**7,531,030**	**(2,974,142)**	**38,108,492**
Revenue	11,744,032	3,538,490	-	-	27,932,507		
Profit	4,722,789	391,615	1,082,690	446,009	1,020,138		
OCI	(4,381)	12,080	-	-	40,470		
Total comprehensive income	4,718,408	403,695	1,082,690	446,009	1,060,608		
Profit / (loss) allocated to NCI	2,314,167	352,454	456,311	218,544	816,110	**(37,752)**	**4,119,834**
OCI allocated to NCI	(2,147)	10,872	-	-	32,376	**(61,282)**	**(20,181)**
Cash flow from operating activities	4,231,045	950,595	(58,599)	(28,622)	1,136,744		
Cash flow from investing activities	(3,616,478)	(407,207)	366,756	562,334	111,162		
Cash flow from financing activities (dividends to NCI: QR 42 million)	(6,781,517)	(364,928)	(1,381,949)	(502,211)	(995,586)		
Effect of forex in cash	-	3,819	-	-	-		
Net increase / (decrease) in cash and cash equivalents	(6,166,950)	182,279	(1,073,792)	31,501	252,320		

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38. Non-controlling interests (continued)

31 December 2022	Industries Qatar Q.P.S.C.	Gulf International Services Q.P.S.C.	Mesaieed Petrochemical Holding Company Q.P.S.C.	Qatar Aluminium Manufacturing Company Q.P.S.C.	Qatar Fuel Company Q.P.S.C.	QatarEnergy Renewable Solutions Q.P.S.C. (b)	Intra-group eliminations	Total
NCI percentage	49.00%	90.00%	34.59%	49.00%	80.00%	49.00%		
Non-current assets	21,106,136	6,240,030	14,608,608	5,669,616	8,089,101	465,516		
Current assets	23,898,626	4,624,801	3,224,617	1,256,784	6,321,339	8,084		
Non-current liabilities	(761,224)	(2,804,714)	-	-	(221,576)	-		
Current liabilities	(2,223,990)	(4,494,632)	(423,773)	(103,223)	(4,876,256)	(15,790)		
Net assets	42,019,548	3,565,485	17,409,452	6,823,177	9,312,608	457,810		
Net assets attributable to NCI	20,589,579	3,208,937	6,021,233	3,343,357	7,450,086	224,327	(2,992,351)	37,845,168
Revenue	18,793,594	3,665,539	-	-	29,934,920	-		
Profit	8,815,364	290,050	1,767,148	919,086	1,101,358	(5,238)		
OCI	(44,260)	(46,967)	-	-	(135,848)	112,021		
Total comprehensive income	8,771,104	243,083	1,767,148	919,086	965,510	106,783		
Profit / (loss) allocated to NCI	4,319,528	261,045	611,186	450,352	881,086	(2,567)	6,613	6,527,243
OCI allocated to NCI	(21,687)	(42,270)	-	-	(108,678)	54,890	3,017	(114,729)
Cash flow from operating activities	7,009,483	827,617	7,026	(39,169)	1,999,352	(9,009)		
Cash flow from investing activities	4,188,627	(582,375)	2,571,761	495,520	683,018	(6,319)		
Cash flow from financing activities (dividends to NCI: QR 49 million)	(6,086,299)	(200,829)	(1,381,949)	(446,409)	(853,243)	-		
Effect of forex in cash	-	4,428	-	-	-	-		
Net increase / (decrease) in cash and cash equivalents	5,111,811	48,841	1,196,838	9,942	1,829,127	(15,328)		

38. Non-controlling interests (continued)

(a) In 2023, 951,979,300 shares held in MPHC have been transferred from Group to the public on account of (i) incentive shares for individual investors who have retained, as of the first award date, at least 50% of the shares purchased or (ii) the death of certain original shareholders as stated in the prospectus at the date of the listing. This dilution is a transaction with NCI without loss of control and resulting loss of QR 1,317.07 million has been recognised directly in equity. As of the reporting date, the Group continues to hold 7,268,282,950 shares (2022: 8,220,262,250 shares), including 1 special share, comprising 57.85% (2022: 65.43%) of the total shareholding of MPHC.

(b) In March 2023, the Group acquired an additional 49% interest in QatarEnergy Renewables Solutions (QERS) (formerly known as Siraj Energy Q.P.S.C.), increasing its ownership from 51% to 100%. The carrying amount of NCI related to QERS on date of acquisition was QR 219.83 million. Consideration paid to NCI was QR 234.94 million, therefore, decrease in equity attributable to owner of the Corporation amounted to QR 15.11 million.

39. Operating segments

The Group is mainly engaged in exploration, production and sale of oil & gas products. More than 83% (2022: 89%) of the Group's revenue for the year ended 31 December 2023 is generated through a single segment i.e., exploration, production and sale of oil & gas products. Revenue from two major customers of the Group represents approximately 20% (2022: 20%) and 5% (2022: 8%) of the Group's total revenue for the year ended 31 December 2023. Further, 99% (2022: 99%) of the Group's revenues for the year ended 31 December 2023 and 90% (2022: 92%) of total assets as at 31 December 2023 are from the entities based in the State of Qatar.

40. Dividend

During the year, QatarEnergy has distributed a dividend of QR 129,802 million for the financial year 2022 (2022: QR 82,075 million for the financial year 2021) based on the governing law.

41. Notes to consolidated statement of cash flows

During the year, other than the transactions disclosed in Note 37, the Group mainly entered into the following non-cash activities which are not reflected in the consolidated statement of cash flows:

- Transfer from property, plant and equipment amounting QR 196 million (2022: QR 1,296 million) to intangible assets (Note 5(a)(ii)).
- Transfer from investment property amounting QR 19 million to property, plant and equipment (2022: QR 13 million from property, plant and equipment to investment property) (Note 5(a)(ii)).
- Capitalisation of depreciation of right-of-use assets amounting to QR 58.2 million (2022: QR 54.9 million) to property, plant and equipment. (Note 5(b)(ii))
- Transfer from non-current assets (project under development) amounting to QR 989 million (2022: QR 4,068) to property, plant and equipment (Note 5(a)(ii)).
- Transfer from other non-current assets (project under development) amounting to QR 7,608 million (2022: QR 34,657 million) to investment in joint ventures (Note 10(b)).
- Recognition of additional right of use assets and lease liability amounting to QR 2,020 million (2022: QR 3,715 million) (Note 5(b) and 22).

42. Subsequent events

- The Board of Directors vide its resolution dated 25 April 2024 has approved a final dividend of QR 100,051 million from the profit for the year ended 31 December 2023.

Except for the above, there were no other subsequent events which have a bearing on the understanding of these consolidated financial statements.

43. Comparative figures

Other than reclassification due to discontinued operations referred in Note 11.2, comparative information has been reclassified to conform with the presentation and classification of the current year's consolidated financial statements. However, such reclassifications are not material and did not have an impact on the previously reported profit, other comprehensive income or the equity for the comparative year.w