

Blue Star Qatar WLL

Financial statements
For the year ended
31 March 2021

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Blue Star Qatar WLL
Administration and contact details as at 31 March 2021

Commercial registration no.	34775 obtained on 12 February 2007
Shareholders	Al Malki Trading and Contracting Company WLL Blue Star Limited
Registered office	P.O. Box 47242 Doha State of Qatar
Bankers	HSBC Bank Middle East Limited Standard Chartered Bank Doha Bank Dukhan Bank Qatar National Bank
Auditor	BDO 38 th Floor, Palm Tower (B) West Bay, Doha State of Qatar P.O. Box 24139

Independent auditor's report to the shareholders of Blue Star Qatar WLL

Opinion

We have audited the financial statements of Blue Star Qatar WLL ("the Company"), which comprise the statement of financial position as at 31 March 2021, the statement of profit or loss and other comprehensive income, statement of changes in shareholders equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at 31 March 2021, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in accordance with the Code of Ethics for Professional Accountants ("IESBA Code") issued by International Ethics Standards Board for Accountants and we have fulfilled our other ethical responsibilities in accordance with its requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance ("TCWG") for the financial statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company'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 Company or to cease operations, or have no realistic alternative but to do so.

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

Auditor's responsibilities for the audit of the financial statements

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

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

- Identify and assess the risks of material misstatement of the 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.

**Independent auditor's report to the shareholders of
Blue Star Qatar WLL (continued)****Auditor's responsibilities for the audit of the financial statements (continued)**

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company'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 Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.


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

Report on other legal and regulatory requirements

Further, as required by the Qatar Commercial Companies Law Number 11 of 2015, we report that:

- (1) we have obtained all the information we considered necessary for the purpose of our audit; and
- (2) the Company has maintained proper books of account and the financial statements are in agreement therewith.

In addition, we report that nothing has come to our attention which causes us to believe that the Company has breached any of the applicable provisions of the Qatar Commercial Companies Law or memorandum and article of association of the Company, which would materially affect its activities, or its financial position as at 31 March 2021.



Gavin James Brown
BDO
Doha, State of Qatar
License No. 288
15 April 2021

Blue Star Qatar WLL
Statement of financial position as at 31 March 2021
(Expressed in Qatari Riyals)

	<u>Notes</u>	<u>31 March 2021</u>	<u>31 March 2020</u>
ASSETS			
Non-current assets			
Property and equipment	5	924,294	948,436
Right -of-use assets	6	114,541	572,713
Retention receivables		<u>10,372,743</u>	<u>16,866,538</u>
		<u>11,411,578</u>	<u>18,387,687</u>
Current assets			
Trade and other receivables	7	52,304,520	28,537,020
Cash and cash equivalents	8	<u>10,063,800</u>	<u>21,915,701</u>
		<u>62,368,320</u>	<u>50,452,721</u>
Total assets		<u>73,779,898</u>	<u>68,840,408</u>
EQUITY AND LIABILITIES			
Equity			
Share capital	9	200,000	200,000
Statutory reserves	10	100,000	100,000
Retained earnings		<u>23,813,448</u>	<u>22,035,311</u>
		<u>24,113,448</u>	<u>22,335,311</u>
Non-current liabilities			
Lease liabilities	6	-	119,516
Bank borrowings	12	-	20,417
Employees' end of service benefits	11	<u>1,960,848</u>	<u>1,766,131</u>
		<u>1,960,848</u>	<u>1,906,064</u>
Current liabilities			
Lease liabilities	6	119,516	463,712
Bank borrowings	12	20,417	67,252
Trade and other payables	13	47,265,275	43,370,409
Income tax payable	21	<u>300,394</u>	<u>697,660</u>
		<u>47,705,602</u>	<u>44,599,033</u>
Total equity and liabilities		<u>73,779,898</u>	<u>68,840,408</u>

These financial statements, set out on pages 5 to 28, were approved by the shareholders on 15 April 2021 and signed on their behalf by:



Mr. M.V.P Raju
General Manager




Blue Star Qatar WLL
Statement of profit or loss and other comprehensive income
for the year ended 31 March 2021
(Expressed in Qatari Riyals)

	Notes	Year ended 31 March 2021	Year ended 31 March 2020
Contract revenue		70,222,768	130,268,271
Contract costs	14	<u>(63,353,811)</u>	<u>(121,895,219)</u>
Gross profit		6,868,957	8,373,052
Other income		176,891	298,073
Expenses			
Staff costs	15	(1,682,003)	(1,591,211)
General and administrative expenses	16	(1,453,815)	(1,069,966)
Depreciation	5	(411,171)	(437,354)
Finance costs	17	<u>(182,428)</u>	<u>(243,604)</u>
Profit before income tax for the year		3,316,431	5,328,990
Income tax expense	21	<u>(300,394)</u>	<u>(697,660)</u>
Net profit after income tax for the year		3,016,037	4,631,330
Other comprehensive income		-	-
Net profit and total comprehensive income for the year		<u>3,016,037</u>	<u>4,631,330</u>




Blue Star Qatar WLL
Statement of changes in shareholders' equity for the year ended 31 March 2021
(Expressed in Qatari Riyals)

	<u>Share capital</u>	<u>Statutory reserves</u>	<u>Retained earnings</u>	<u>Total</u>
At 1 April 2019	200,000	100,000	18,641,881	18,941,881
Dividends declared and paid (Note 18)	-	-	(1,237,900)	(1,237,900)
Net profit and total comprehensive income for the year	<u>-</u>	<u>-</u>	<u>4,631,330</u>	<u>4,631,330</u>
As at 31 March 2020	<u>200,000</u>	<u>100,000</u>	<u>22,035,311</u>	<u>22,335,311</u>
At 1 April 2020	200,000	100,000	22,035,311	22,335,311
Dividends declared and paid (Note 18)	-	-	(1,237,900)	(1,237,900)
Net profit and total comprehensive income for the year	<u>-</u>	<u>-</u>	<u>3,016,037</u>	<u>3,016,037</u>
As at 31 March 2021	<u>200,000</u>	<u>100,000</u>	<u>23,813,448</u>	<u>24,113,448</u>

Blue Star Qatar WLL
Statement of cash flows for the year ended 31 March 2021
(Expressed in Qatari Riyals)

	<u>Notes</u>	<u>Year ended</u> <u>31 March 2021</u>	<u>Year ended</u> <u>31 March 2020</u>
Cash flows from operating activities			
Net profit before income tax for the year		3,316,431	5,328,990
Adjustments for:			
Depreciation	5	411,171	437,354
Employees end of service benefits, net	11	194,717	241,001
Provision for expected credit loss	7	654,379	132,758
Finance cost	17	182,428	243,604
Gain on disposals of property and equipment		<u>(3,000)</u>	<u>(1,343)</u>
Operating cash flows before changes in working capital		4,756,126	6,382,364
Changes in operating assets and liabilities:			
(Increase)/decrease in trade and other receivables	7	(17,473,624)	3,204,954
Increase/(decrease) in trade and other payables	13	<u>3,894,866</u>	<u>(5,893,363)</u>
		(8,822,632)	3,693,955
Income tax paid	21	<u>(697,660)</u>	<u>(518,292)</u>
Net cash (used in)/provided by operating activities		<u>(9,520,292)</u>	<u>3,175,663</u>
Cash flows from investing activities			
Proceeds from disposal of property and equipment		3,000	2,299
Purchase of property and equipment	5	<u>(387,029)</u>	<u>(228,340)</u>
Net cash used in investing activities		<u>(384,029)</u>	<u>(226,041)</u>
Cash flows from financing activities			
Bank borrowing, net movement		(67,252)	(83,837)
Dividend declared and paid		(1,237,900)	(1,237,900)
Principal paid on lease liabilities	6	(443,712)	(333,115)
Interest paid on lease liabilities	6	(16,288)	(26,885)
Finance cost paid		<u>(182,428)</u>	<u>(243,604)</u>
Net cash used in financing activities		<u>(1,947,580)</u>	<u>(1,925,341)</u>
Net change in cash and cash equivalents		(11,851,901)	1,024,281
Cash and cash equivalents, beginning of the year	8	<u>21,915,701</u>	<u>20,891,420</u>
Cash and cash equivalents, end of the year	8	<u>10,063,800</u>	<u>21,915,701</u>

1 Organisation and activities

Blue Star Qatar WLL (the “Company”) is a Company with limited liability registered with the Ministry of Commerce and Industry in the State of Qatar and operates under commercial registration number 34775 obtained on 12 February 2007.

The Company is principally engaged in the business of designing, engineering, installation and maintenance of Mechanical, Electrical, Plumbing (MEP) contracts and all works related to heating ventilation and air conditioning systems.

The registered office of the Company is in Doha, State of Qatar.

2 Basis of preparation

Statement of compliance

The financial statements have been prepared in accordance with the International Financial Reporting Standards (“IFRS”) as promulgated by the International Accounting Standards Board (“IASB”), interpretations issued by the International Financial Reporting Interpretations Committee (“IFRIC”) and the requirements of the Qatar Commercial Companies Law.

Basis of presentation

The financial statements have been prepared under historical cost convention and on-going concern assumption. The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Company’s accounting policies.

Functional currency

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the entity operates (“the functional currency”). These financial statements are presented in Qatari Riyal (“QR”) which is the functional and presentational currency of the Company.

Improvements/amendments to IFRS/IAS

Improvements/amendments to IFRS/IAS contained numerous amendments to IFRS/IAS that the IASB considers non-urgent but necessary. ‘Improvements to IFRS’ comprise amendments that result in accounting changes to presentation, recognition or measurement purposes, as well as terminology or editorial amendments related to a variety of individual IFRS standards. The amendments are effective for the Company’s future accounting period with earlier adoption.

Standards, amendments and interpretations effective and adopted in the year 2020-2021

The following new standard, amendment to existing standard or interpretation to published standard is mandatory for the first time for the financial year beginning 1 January 2020 and has been adopted in the preparation of these financial statements:

<u>Standard or interpretation</u>	<u>Title</u>	<u>Effective for annual periods beginning on or after</u>
IFRS 16	COVID-19-Related Rent Concessions	1 June 2020

2 Basis of preparation (continued)

Standards, amendments and interpretations issued and effective in the year 2020-2021 but not relevant

The following new amendments to existing standard and interpretation to published standard is mandatory for accounting year beginning on or after 1 January 2020 or subsequent years, but is not relevant to the Company's operations:

<u>Standard or interpretation</u>	<u>Title</u>	<u>Effective for annual periods beginning on or after</u>
IAS 1	Presentation of financial statements	1 January 2020
IAS 8	Accounting policies, changes in accounting estimates and errors	1 January 2020
IAS 39	Financial instruments: recognition and measurements	1 January 2020
IFRS 3	Business combinations	1 January 2020
IFRS 7	Financial instruments: Disclosures	1 January 2020
IFRS 9	Financial instruments	1 January 2020

Standards, amendments and interpretations issued but not yet effective in the year 2020-2021

The following new/amended accounting standards and interpretations have been issued, but are not mandatory for financial year ended 31 March 2021. They have not been adopted in preparing the financial statements for the year ended 31 March 2021 and will or may have an effect on the entity's future financial statements. In all cases, the entity intends to apply these standards from application date as indicated in the table below:

<u>Standard or interpretation</u>	<u>Title</u>	<u>Effective for annual periods beginning on or after</u>
IAS 39	Financial instruments: recognition and measurements	1 January 2021
IFRS 4	Insurance Contracts	1 January 2021
IFRS 7	Financial instruments: Disclosures	1 January 2021
IFRS 9	Financial instruments	1 January 2021
IFRS 16	Leases	1 January 2021
IAS 16	Property, Plant and Equipment – Proceeds before Intended Use	1 January 2022
IAS 37	Onerous Contracts – Cost of Fulfilling a Contract	1 January 2022
IFRS 3	Reference to the Conceptual Framework	1 January 2022
IAS 1	Classification of Liabilities as Current or Non-Current	1 January 2023
IFRS 17	Insurance contracts	1 January 2023

Early adoption of amendments or standards in the year 2020-2021

The Company did not early-adopt any new or amended standards in the year 2020-2021. There would have been no change in the operational results of the Company for the year ended 31 March 2021 had the Company early adopted any of the above standards applicable to the Company.

3 Significant accounting policies

A summary of the significant accounting policies adopted in the preparation of these financial statements is set out below.

Property and equipment

Property and equipment are stated at historical cost less accumulated depreciation and impairment if any. Cost includes all costs directly attributable to bringing the asset to a working condition for its intended use.

Depreciation is calculated on the straight-line method to write-off the cost of property and equipment to their estimated residual values over their expected useful lives as determined by the management which are as follows:

Tools and machineries	6 years
Computer and software	3 years
Furniture and fixtures	5 to 6 years
Motor vehicles	5 years

Gains and losses on disposal of property and equipment are determined by reference to their carrying amount and are taken into account in determining net profit.

Financial assets

The Company classifies its financial assets into the amortised cost category based on the purpose for which the asset was acquired.

Amortised cost

These assets arise principally from the provision of services to customers (e.g. trade receivables), but also incorporate other types of financial assets where the objective is to hold these assets in order to collect contractual cash flows and the contractual cash flows are solely payments of principal and interest. They are initially recognised at fair value plus transaction costs that are directly attributable to their acquisition or issue and are subsequently carried at amortised cost using the effective interest rate method, less provision for impairment.

Impairment provisions for current and non-current trade receivables, if any, are recognised based on the simplified approach within IFRS 9 using a provision matrix in the determination of the lifetime expected credit losses. During this process the probability of the non-payment of the trade receivables is assessed. This probability is then multiplied by the amount of the expected loss arising from default to determine the lifetime expected credit loss for the trade receivables. For trade receivables, which are reported net, such provisions are recorded in a separate provision account with the loss being recognised within general and administrative expenses in the statement of profit or loss and other comprehensive income. On confirmation that the trade receivable will not be collectable, the gross carrying value of the asset is written off against the associated provision.

3 Significant accounting policies (continued)

Financial assets (continued)

Impairment provisions for receivables from related parties are recognised based on a forward-looking expected credit loss model. The methodology used to determine the amount of the provision is based on whether there has been a significant increase in credit risk since initial recognition of the financial asset. For those where the credit risk has not increased significantly since initial recognition of the financial asset, twelve month expected credit losses along with gross interest income are recognised. For those for which credit risk has increased significantly, lifetime expected credit losses along with the gross interest income are recognised. For those that are determined to be credit impaired, lifetime expected credit losses along with interest income on a net basis are recognised.

From time to time, the Company elects to renegotiate the terms of trade receivables due from customers with which it has previously had a good trading history. Such renegotiations will lead to changes in the timing of payments rather than changes to the amounts owed and, in consequence, the new expected cash flows are discounted at the original effective interest rate and any resulting difference to the carrying value is recognised in the statement of profit or loss and other comprehensive income.

The Company's financial assets measured at amortised cost comprise trade and other receivables and cash and cash equivalents in the statement of financial position.

For the purpose of statement of cash flows, cash and cash equivalents include cash in hand, current account balance and fixed deposits with a bank.

Financial liabilities

The financial liabilities of the Company consist of trade and other payables and bank borrowings. These financial liabilities are initially recognised at fair value and are subsequently measured at amortised cost using the effective interest method.

(a) Trade payables

Trade payables are recognised for amounts to be paid in the future for goods or services received, whether billed by the supplier or not.

(b) Bank borrowings

Borrowings are recognised initially at the proceeds received, net of transaction costs incurred. In subsequent periods, these are stated at amortised cost using the effective yield method; any differences between proceeds (net of transaction costs) and the redemption value is recognised in the statement of profit or loss and other comprehensive income over the period of the borrowings.

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. All other borrowing costs are recognised in the statement of profit or loss and other comprehensive income in the year in which they are incurred.

3 Significant accounting policies (continued)

Provisions

Provisions are recognised when the Company has a present legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will be required to settle the obligation in future and the amount of the obligation can be reliably estimated.

Revenue from Contracts with Customers

Performance obligations and timing of revenue recognition

The Company provides business of designing, engineering, installation and maintenance of Mechanical, Electrical, Plumbing (MEP) contracts and all works related to heating ventilation and air conditioning systems. Revenue from providing services is recognised in the accounting period in which the services are rendered. 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. This is determined based on the actual contract costs incurred relative to the total expected contract costs incurred.

Determining the transaction price

Contracts include multiple deliverables, such as designing, installation of material and maintenance. Each deliverable is accounted for as a separate performance obligation. The transaction price will be allocated to each performance obligation based on the stand-alone selling prices. Where these are not directly observable, they are estimated based on expected cost plus margin. If contracts include the installation of material, revenue for the material is recognised at a point in time when the material is delivered, the legal title has passed and the customer has accepted the material.

Allocating amounts to performance obligations

Estimates of revenues, costs or extent of progress toward completion are revised if circumstances change. Any resulting increases or decreases in estimated revenues or costs are reflected in profit or loss in the year in which the circumstances that give rise to the revision become known by management.

In case of fixed-price contracts, the customer pays the fixed amount based on a payment schedule. If the services rendered by the Company exceed the payment, a contract asset is recognised. If the payments exceed the services rendered, a contract liability is recognised.

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

3 Significant accounting policies (continued)

Impairment of financial assets

The Company recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

For trade receivables and contract assets, the Company applies a simplified approach in calculating ECLs. Therefore, the Company does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Company has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the trade receivables and the economic environment.

Impairment of non- financial assets

The carrying amounts of the Company's non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If such indication exists, then the asset's recoverable amount is estimated.

An impairment loss is recognised if the carrying amount of an asset or its cash generating unit exceeds its estimated recoverable amount. Impairment losses are recognised the statement of profit or loss and other comprehensive income.

Employee's end of service benefits

These are employee's end of service benefits payable to the Company's employees. The entitlement to these benefits is based upon the employee's salary and length of service, subject to the completion of a minimum service period of one year. The expected costs of these benefits are accrued over the period of employment and are calculated in accordance with the provisions of the Qatar Labour Law. The Company accrues for its liability in this respect on an annual basis.

Foreign currency transactions

Foreign currency transactions are accounted for at the rates of exchange prevailing at the dates of the transactions. Gains and losses resulting from the settlement of such transactions and from the translation, at the period-end rates, of monetary assets and liabilities denominated in foreign currencies, are recognised in the statement of profit or loss and comprehensive income.

Income tax

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the financial position date. The management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

3 Significant accounting policies (continued)

Leases

The Company accounts for a contract, or a portion of a contract, as a lease when it conveys the right to use an asset for a period of time in exchange for consideration. Leases are those contracts that satisfy the following criteria:

- (a) There is an identified asset;
- (b) The Company obtains substantially all the economic benefits from use of the asset; and
- (c) The Company has the right to direct use of the asset.

The Company considers whether the supplier has substantive substitution rights. If the supplier does have those rights, the contract is not identified as giving rise to a lease. In determining whether the Company obtains substantially all the economic benefits from use of the asset, the Company considers only the economic benefits that arise use of the asset, not those incidental to legal ownership or other potential benefits.

In determining whether the Company has the right to direct use of the asset, the Company considers whether it directs how and for what purpose the asset is used throughout the period of use. If there are no significant decisions to be made because they are pre-determined due to the nature of the asset, the Company considers whether it was involved in the design of the asset in a way that predetermines how and for what purpose the asset will be used throughout the period of use. If the contract or portion of a contract does not satisfy these criteria, the Company applies other applicable IFRSs rather than IFRS 16.

All leases are accounted for by recognising a right-of-use asset and a lease liability except for:

- Leases of low value assets; and
- Leases with a duration of 12 months or less.

Lease liabilities are measured at the present value of the contractual payments due to the lessor over the lease term, with the discount rate determined by reference to the rate inherent in the lease unless (as is typically the case) this is not readily determinable, in which case the Company's incremental borrowing rate on commencement of the lease is used. Variable lease payments are only included in the measurement of the lease liability if they depend on an index or rate. In such cases, the initial measurement of the lease liability assumes the variable element will remain unchanged throughout the lease term. Other variable lease payments are expensed in the year to which they relate.

On initial recognition, the carrying value of the lease liability also includes:

- Amounts expected to be payable under any residual value guarantee;
- The exercise price of any purchase option granted in favour of the Company if it is reasonable certain to assess that option;
- Any penalties payable for terminating the lease, if the term of the lease has been estimated on the basis of termination option being exercised. Right of use assets are initially measured at the amount of the lease liability, reduced for any lease incentives received, and increased for:
 - Lease payments made at or before commencement of the lease;
 - Initial direct costs incurred; and

3 Significant accounting policies (continued)

Leases (continued)

- The amount of any provision recognised where the Company is contractually required to dismantle, remove or restore the leased asset.

Subsequent to initial measurement, lease liabilities increase as a result of interest charged at a constant rate on the balance outstanding and are reduced for lease payments made. Right-of-use assets are amortised on a straight-line basis over the remaining term of the lease or over the remaining economic life of the asset if, rarely, this is judged to be shorter than the lease term.

When the Company revises its estimate of the term of any lease, it adjusts the carrying amount of the lease liability to reflect the payments to make over the revised term, which are discounted at the same discount rate that applied on lease commencement. The carrying value of lease liabilities is similarly revised when the variable element of future lease payments dependent on a rate or index is revised. In both cases an equivalent adjustment is made to the carrying value of the right-of-use asset, with the revised carrying amount being amortised over the remaining (revised) lease term.

When the Company renegotiates the contractual terms of a lease with the lessor, the accounting depends on the nature of the modification:

- If the renegotiation results in one or more additional assets being leased for an amount commensurate with the standalone price for the additional rights-of-use obtained, the modification is accounted for as a separate lease in accordance with the above policy.
- In all other cases where the renegotiated increases the scope of the lease (whether that is an extension to the lease term, or one or more additional assets being leased), the lease liability is remeasured using the discount rate applicable on the modification date, with the right-of-use asset being adjusted by the same amount.
- If the renegotiation results in a decrease in the scope of the lease, both the carrying amount of the lease liability and right-of-use asset are reduced by the same proportion to reflect the partial or full termination of the lease with any difference recognised in profit or loss. The lease liability is then further adjusted to ensure its carrying amount reflects the amount of the renegotiated payments over the renegotiated term, with the modified lease payments discounted at the rate applicable on the modification date. The right-of-use asset is adjusted by the same amount.

Based on the exemptions available in IFRS 16, low value and short-term leases are not capitalised in the statement of financial position. All payments made towards such leases are charged to the statement of profit or loss and other comprehensive income on a straight line basis over the period of the lease.

4 Critical accounting judgments and key source of estimation uncertainty

Preparation of the financial statements in accordance with IFRS requires the Company's management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenses during the reporting period.

The determination of estimates requires judgments which are based on historical experience, current and expected economic conditions, and all other available information. Actual results could differ from those estimates.

4 Critical accounting judgments and key source of estimation uncertainty (continued)

The most significant areas requiring the use of management estimates and assumptions in these financial statements relate to:

- determination of lease term and borrowing rates;
- economic life of right of use assets;
- economic useful lives of property and equipment;
- fair value measurement;
- impairment of assets;
- provisions; and
- contingencies.

Determination of lease term and the borrowing rates for leases

The management of the Company exercises judgment while determining if it is reasonably certain while exercising the lease options at the commencement, as well as during the lease term. The carrying value of lease liabilities are revised based on certain variable elements of the future lease payments like rates or index. Determination of incremental borrowing rates used to determine the carrying value of lease liabilities and the discount rates used to determine the carrying value of right-of-use of lease rights involve, to certain extent, management estimates. Any changes to management estimate may have an impact on the term as well as the carrying values of the lease assets and liabilities.

Economic life of right of use assets

Right of use assets are amortised over their economic useful lives. Useful lives are based on the management's estimates of the period that the assets will generate revenue, which are periodically reviewed for continued appropriateness. Changes to estimates can result in significant variations in the carrying value and amounts charged to the statement of profit or loss and other comprehensive income in specific periods.

The Company's right of use assets are amortised on a straight-line basis from the commencement date to the earlier of the end of the useful life of the right of use asset or the end of the lease term. Economic useful lives of right of use assets are reviewed by management periodically. The review is based on the current condition of the assets and the estimated period during which they will continue to bring economic benefit to the Company.

Economic useful lives of property and equipment

The Company's property and equipment are depreciated on a straight-line basis over their economic useful lives.

Useful economic lives of property and equipment are reviewed by management periodically. The review is based on the current condition of the assets and the estimated period during which they will continue to bring an economic benefit to the Company.

Fair value measurement

A number of assets and liabilities included in the financial statements require measurement at, and/or disclosure of, fair value.

The fair value measurement of the Company's financial and non-financial assets and liabilities utilises market observable inputs and data as far as possible.

4 Critical accounting judgments and key source of estimation uncertainty (continued)

Fair value measurement (continued)

Inputs used in determining fair value measurements are categorised into different levels based on how observable the inputs used in the valuation technique utilised are (the 'fair value hierarchy'):

Level 1: Quoted prices in active markets for identical items (unadjusted)

Level 2: Observable direct or indirect inputs other than Level 1 inputs

Level 3: Unobservable inputs (i.e. not derived from market data).

The classification of an item into the above levels is based on the lowest level of the inputs used that has a significant effect on the fair value measurement of the item and transfers of items between levels are recognised in the year they occur.

The financial assets and financial liabilities of the Company that either require fair value measurements or only fair value disclosures as at 31 March 2021.

Impairment of assets

Financial assets at amortized cost

The Company assesses on a forward-looking basis the expected credit losses associated with its trade receivables and bank balances carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk. The Company applies the simplified approach permitted by IFRS 9, which requires expected lifetime losses to be recognised from initial recognition of trade receivables. Further, with respect to amounts due from related parties, the Company applies the full three stage approach taking into consideration whether there has been a significant increase in credit risk. In addition, with respect to its bank balances, the amounts are deposited with reputable banks with low credit risk.

During the year ended 31 March 2021, in the opinion of the management, a provision amounting to QR 1,089,854 (31 March 2020: QR 435,475) is required towards impaired trade receivables. Further, in the opinion of the management, the amounts due from related parties and bank balances are not impaired as at 31 March 2021 (31 March 2020: Nil).

Provision

The Company creates a provision for employee's end of service benefits. At 31 March 2021, in the opinion of the Company's management, a provision of QR 1,960,848 is required towards employee end of service benefits (31 March 2020: QR 1,766,131). The entitlement to these benefits is based upon the employee's salary and length of service, subject to the completion of a minimum service of one period. The expected costs of these benefits are accrued over the period of employment and are calculated in accordance with the provisions of the Qatar Labor Law.

Contingencies

By their nature, contingencies will only be resolved when one or more future events occur or fail to occur. The assessment of such contingencies inherently involves the exercise of significant judgment and estimates of the outcome of future events.

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5 Property and equipment

Cost	Tools and machineries	Computer and software	Furniture and fixtures	Motor vehicles	Total
At 31 March 2019	928,077	724,907	454,802	1,864,551	3,972,337
Additions	140,632	57,245	30,463	-	228,340
Disposals	<u>(11,500)</u>	<u>-</u>	<u>(35,685)</u>	<u>(143,500)</u>	<u>(190,685)</u>
At 31 March 2020	1,057,209	782,152	449,580	1,721,051	4,009,992
Additions	13,292	97,779	29,658	246,300	387,029
Disposals	<u>(45,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(45,000)</u>
At 31 March 2021	<u>1,025,501</u>	<u>879,931</u>	<u>479,238</u>	<u>1,967,351</u>	<u>4,352,021</u>
Accumulated depreciation					
At 31 March 2019	614,230	494,546	354,704	1,350,451	2,813,931
Charge for the year	97,712	112,547	41,618	185,477	437,354
Disposals	<u>(10,838)</u>	<u>-</u>	<u>(35,392)</u>	<u>(143,499)</u>	<u>(189,729)</u>
At 31 March 2020	701,104	607,093	360,930	1,392,429	3,061,556
Charge for the year	89,356	115,920	31,787	174,108	411,171
Disposals	<u>(45,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(45,000)</u>
At 31 March 2021	<u>745,460</u>	<u>723,013</u>	<u>392,717</u>	<u>1,566,537</u>	<u>3,427,727</u>
Net book value					
At 31 March 2021	<u>280,041</u>	<u>156,918</u>	<u>86,521</u>	<u>400,814</u>	<u>924,294</u>
At 31 March 2020	<u>356,105</u>	<u>175,059</u>	<u>88,650</u>	<u>328,622</u>	<u>948,436</u>

6 Leases

(i) Amounts recognised in the balance sheet

The balance sheet shows the following amounts relating to leases:

	31 March 2021	31 March 2020
Right-of-use assets (Office Building)		
Opening balance	572,713	-
Additions	-	916,343
Amortisation	<u>(458,172)</u>	<u>(343,630)</u>
Closing balance	<u>114,541</u>	<u>572,713</u>
Lease liabilities		
Opening balance	583,228	-
Additions	-	916,343
Interest expense	16,288	26,885
Lease payment	(460,000)	(360,000)
Rent concession (COVID-19 Discount)	<u>(20,000)</u>	<u>-</u>
Closing balance	119,516	583,228
Less: current lease liabilities	<u>(119,516)</u>	<u>(463,712)</u>
Non-current lease liabilities	<u>-</u>	<u>119,516</u>

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6 Leases (continued)

(ii) Amounts recognised in the statement of profit or loss and other comprehensive income

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

	<u>31 March 2021</u>	<u>31 March 2020</u>
Amortisation of right to use assets (included in other direct costs)	458,172	343,630
Interest expense (included in other direct costs)	16,288	26,885
Rent concession (included in other income)	(20,000)	-
Expense relating to short-term leases (included in other direct costs)	458,172	343,630

7 Trade and other receivables

	<u>31 March 2021</u>	<u>31 March 2020</u>
Trade receivables	31,644,023	15,641,592
Less: Provision for expected credit loss	<u>(1,089,854)</u>	<u>(435,475)</u>
	30,554,169	15,206,117
Retention receivables	20,381,901	12,422,371
Unbilled revenue	646,918	384,000
Advances to suppliers	638,556	142,243
Due from related party (Note 20)	-	305,288
Prepayments and other receivables	82,976	77,001
	<u>52,304,520</u>	<u>28,537,020</u>

The ageing of trade receivables is as follows:

	<u>31 March 2021</u>	<u>31 March 2020</u>
Within six months	28,387,889	10,629,639
Within six to twelve months	-	2,295,737
Over twelve months	<u>3,256,134</u>	<u>2,716,216</u>
Total	<u>31,644,023</u>	<u>15,641,592</u>

The movements in the provision for expected credit loss were as follows.

	<u>31 March 2021</u>	<u>31 March 2020</u>
Opening balance	435,475	302,717
Provisions during the year (Note 16)	<u>654,379</u>	<u>132,758</u>
	<u>1,089,854</u>	<u>435,475</u>

8 Cash and cash equivalents

	<u>31 March 2021</u>	<u>31 March 2020</u>
Cash on hand	52,000	71,500
Balance with banks	2,011,800	8,844,201
Fixed deposits with maturity less than 3 months	<u>8,000,000</u>	<u>13,000,000</u>
Cash and cash equivalents	<u>10,063,800</u>	<u>21,915,701</u>

The current account balance with a bank is non-interest bearing.

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9 Share capital

The share capital of the Company consists of 100 shares of QR 2,000 each. The distribution pattern of the share capital at 31 March 2021 and 2020 is as follows:

Name of the shareholders	<u>Number of shares</u>	<u>Amount</u>	<u>Percentage of Ownership Interest</u>
Al Malki Trading and Contracting Company WLL (Qatar)	51	102,000	51%
Blue Star Limited (India)	<u>49</u>	<u>98,000</u>	<u>49%</u>
	<u>100</u>	<u>200,000</u>	<u>100%</u>

10 Statutory reserve

Under the provisions of the Qatar Commercial Companies Law, an amount equivalent to 10% of the Company's net profit before appropriations is required to be transferred to a non-distributable reserve account until such time as a minimum of 50% of the share capital is set aside. Closing balance of the statutory reserve for the year amounted to QR 100,000 (31 March 2020: QR 100,000).

11 Employees' end of service benefits

These are Company's end of service benefits payable to its employees. The entitlement to these benefits is based upon the employee's salary and length of service, subject to the completion of a minimum service period of one year. The expected costs of these benefits are accrued over the period of employment and are calculated in accordance with the provisions of the Qatar Labour Law.

The movement in the provision for employees' end of service benefits recognised in the statement of financial position is as follows:

	<u>31 March 2021</u>	<u>31 March 2020</u>
Balance of beginning of year	1,766,131	1,525,130
Provision for the year (Note 14,15)	369,020	416,921
Payment during the year	<u>(174,303)</u>	<u>(175,920)</u>
Balance at end of year	<u>1,960,848</u>	<u>1,766,131</u>

12 Bank borrowings

	<u>31 March 2021</u>	<u>31 March 2020</u>
Vehicle loan	20,417	87,669
Less: Non-current portion	-	<u>(20,417)</u>
Current portion	<u>20,417</u>	<u>67,252</u>

Vehicle loans are secured against the motor vehicles for which they were obtained and are repayable in equal monthly instalments over 48 months and bears market interest rates.

13 Trade and other payables

	<u>31 March 2021</u>	<u>31 March 2020</u>
Trade payables	5,236,719	6,916,871
Advances from customer	1,711,105	6,810,147
Accruals	33,880,379	22,345,584
Employee benefits payable	1,831,673	1,928,596
Retention payable	4,551,273	5,334,338
Other payables	<u>54,126</u>	<u>34,873</u>
	<u>47,265,275</u>	<u>43,370,409</u>

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13 Trade and other payables (continued)

Trade payables are normally settled within 90 to 120 days of the vendors' invoice date.

As at 31 March, the maturity profile of trade and other payables are as follows:

	<u>31 March 2021</u>	<u>31 March 2020</u>
Less than 3 months	4,919,013	6,606,216
More than 3 months	<u>317,706</u>	<u>310,565</u>
Total	<u>5,236,719</u>	<u>6,916,871</u>

14 Contract costs

	<u>31 March 2021</u>	<u>31 March 2020</u>
Material costs	27,159,493	59,660,971
Labour costs	10,733,502	11,142,907
Sub-contract costs	12,940,992	32,401,128
Employee end of service benefits (Note 11)	165,431	156,986
Other contract costs	<u>12,354,393</u>	<u>18,533,227</u>
	<u>63,353,811</u>	<u>121,895,219</u>

15 Staff costs

	<u>31 March 2021</u>	<u>31 March 2020</u>
Staff salaries	1,135,300	1,082,250
Leave salaries	16,275	26,617
Employee end of service benefit (Note 11)	203,589	259,935
Other staff benefits	<u>326,839</u>	<u>222,409</u>
	<u>1,682,003</u>	<u>1,591,211</u>

16 General and administrative expenses

	<u>31 March 2021</u>	<u>31 March 2020</u>
Provision for expected credit loss (Note 7)	654,379	132,758
Rent (Note 19)	284,000	408,000
Legal and professional fees	179,887	141,600
Motor vehicle expenses	68,293	64,206
Telephone fax and internet charges	48,362	37,410
Repairs and maintenance	27,575	31,255
Printing and stationery	25,937	21,900
Government fee	17,263	12,199
Advertisement and promotion	13,000	16,990
Insurance expenses	12,169	11,791
Tender fees	9,828	9,200
Water and electricity charges	9,574	17,871
Travelling expenses	190	10,881
Other expenses	<u>103,358</u>	<u>153,905</u>
	<u>1,453,815</u>	<u>1,069,966</u>

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17 Finance costs

	<u>31 March 2021</u>	<u>31 March 2020</u>
Interest on bank borrowings	734	2,175
Other finance costs	<u>181,694</u>	<u>241,429</u>
	<u>182,428</u>	<u>243,604</u>

18 Dividend declared

On 17 June 2020, the management of the Company declared dividends amounting to QR 1,237,900 (31 March 2020: QR 1,237,900). The declared dividend was settled as per profit sharing ratio within the shareholders as per articles of association.

19 Lease commitments

The Company leases its office for a period of one year and is renewable every period at the option of the lessor and the Company. The lease agreement requires issuance of post-dated cheques. Rent expense for the year ended 31 March 2021 amounted to QR 284,000 (31 March 2020: QR 408,000).

20 Transactions and balances with related parties

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial and operating decisions. Transactions with related parties are conducted in the normal course of business and are authorized by the management.

Related parties include shareholders and companies under common control.

<u>Due from related parties</u>	<u>Relationship</u>	<u>31 March 2021</u>	<u>31 March 2020</u>
Blue Star Limited	Shareholder	-	212,842
Blue Star International FZCo	Under common control	<u>-</u>	<u>92,446</u>
		<u>-</u>	<u>305,288</u>

Amounts due from related parties are unsecured, bear no interest, payable within 180 days, and are authorised by the management.

Below is the summary of related party transactions:

	<u>31 March 2021</u>	<u>31 March 2020</u>
Reimbursement of expenses received	<u>305,288</u>	<u>463,598</u>
Reimbursement of expenses paid	<u>559,800</u>	<u>350,469</u>

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21 Income tax

The major components of income tax are as follows:

	<u>31 March 2021</u>	<u>31 March 2020</u>
Current income tax expense	<u>300,394</u>	<u>697,660</u>

Reconciliation between the tax profit and accounting profit before tax for the year ended 31 March 2021 and 2020 is as follows.

	<u>31 March 2021</u>	<u>31 March 2020</u>
Profit before tax	3,316,431	5,328,990
Adjustments for:		
Non-deductible expenses		
Provisions	1,775,017	1,946,338
Depreciation	69,632	68,459
Other adjustments	<u>(1,999,044)</u>	<u>-</u>
Taxable income	3,162,036	7,343,787
Income tax rate	10%	10%
Shares of non- resident Qatari in profit	<u>95%</u>	<u>95%</u>
Income tax payable	<u>300,394</u>	<u>697,660</u>

22 Financial assets and liabilities and risk management

Financial assets and liabilities carried on the statement of financial position include trade and other receivables, trade and other payables, lease liabilities and bank borrowings. The particular recognition methods adopted are disclosed in the individual policy statements associated with each item.

Capital management

The primary objective of the Company's capital management is to ensure that it maintains a healthy equity ratio in order to support its business and maximize owners' value.

The Company manages its capital structure and makes adjustments to it, in the light of changes in economic conditions.

	<u>31 March 2021</u>	<u>31 March 2020</u>
Trade and other payables	47,265,275	43,370,409
Bank borrowing	20,417	87,669
Lease liabilities	119,516	583,228
Less: Cash and cash equivalents	<u>(10,063,800)</u>	<u>(21,915,701)</u>
Net debt (a)	37,341,408	22,125,605
Total equity	<u>24,113,448</u>	<u>22,335,311</u>
Total equity and net debt (b)	<u>61,454,856</u>	<u>44,460,916</u>
Gearing ratio(a/b)	<u>61%</u>	<u>50%</u>

22 Financial assets and liabilities and risk management (continued)

Risk management

Risk management is carried out by the general manager of the Company with the help of experts appointed by the company and /or JV partner. The general manager provides principles for overall risk management, as well as policies covering specific areas, such as foreign exchange risk, interest rates, credit risk and investment of excess liquidity.

Principal financial instruments

The principal financial instruments used by the Company, from which financial instrument risk arises, are as follows:

- Trade and other receivables
- Cash and cash equivalents
- Trade and other payables
- Bank borrowings
- Lease liabilities

A summary of the financial instruments held by category is provided below as at 31 March 2021:

<u>Financial assets</u>	<u>31 March 2021</u>	<u>31 March 2020</u>
Trade and other receivables	52,304,520	28,537,020
Cash and cash equivalents	<u>10,063,800</u>	<u>21,915,701</u>
	<u>62,368,320</u>	<u>50,452,721</u>

<u>Financial liabilities</u>	<u>31 March 2021</u>	<u>31 March 2020</u>
Trade and other payables	47,265,275	43,370,409
Bank borrowings	20,417	87,669
Lease liabilities	<u>119,516</u>	<u>583,228</u>
Total financial liabilities	<u>47,405,208</u>	<u>44,041,306</u>

Credit risk is the risk that one party will fail to discharge an obligation and cause the other party to incur a financial loss. Cash is placed with a bank with a good credit rating.

Interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates. The Company's assets and liabilities are not sensitive to interest rate risk.

Liquidity risk is the risk that an enterprise will encounter difficulty in raising funds to meet commitments associated with financial instruments. Liquidity risk may result from an inability to sell a financial asset quickly at close to its fair value.

Liquidity risk is managed by monitoring on a regular basis to help ensure that sufficient funds are available to meet all liabilities as they fall due.

Currency rate risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. The Company's foreign exchange transactions, predominantly in US Dollars, have been translated at the closing rate; incidentally the currency rate risk is considered insignificant by management.

22 Financial assets and liabilities and risk management (continued)

Fair value measurement

Fair value is the amount 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.

Financial instruments not measured at fair value on recurring basis include trade and other receivables, bank borrowings, lease liabilities and trade and other payables. In the opinion of the management, due to the short-term nature of these financial instruments, the fair value of these financial instruments is not significantly different from their carrying amounts as at 31 March 2021.

The following table sets out the assets and liabilities for which fair values are disclosed in the notes:

<u>Item</u>	<u>Fair value</u>	<u>Valuation technique</u>	<u>Fair value hierarchy level</u>	<u>Significant observable inputs</u>
Trade receivables	30,554,169	The carrying amount of short term (less than 12 months) trade receivables and payables, bank borrowings and lease liabilities approximates its fair values	Level 3	Not applicable
Trade payables	5,236,719		Level 3	Not applicable
Borrowings	20,417		Level 3	Not applicable
Lease liabilities	119,516		Level 3	Not applicable

23 Contingent liabilities

At 31 March 2021, there were contingent liabilities arising in the ordinary course of business which include outstanding letters of guarantee, letters of credit and performance bonds amounting to QR 40,359,282 (31 March 2020: QR 38,935,859).

24 Subsequent events

There were no events subsequent to 31 March 2021 and occurring before the date of the report that are expected to have a significant impact on these financial statements.

25 Impact of COVID-19

On 11 March 2020, the Coronavirus (COVID 19) outbreak was declared a pandemic by the World Health Organization (WHO) and has rapidly evolved globally. This has resulted in a global economic slowdown with uncertainties in the economic environment. Global equity and commodity markets have also experienced great volatility and a significant drop in prices. Authorities have taken various measures to contain the spread including implementation of travel restrictions and quarantine measures. The pandemic as well as the resulting measures and policies have had some impact on the Company.

The Company is actively monitoring the COVID 19 situation, and in response to this outbreak, has activated its business continuity plan and various other risk management practices to manage the potential business disruption on its operations and financial performance.

Governments and central banks across the world have responded with monetary and fiscal interventions to stabilize economic conditions. The Government of Qatar has announced various economic stimulus programmes (“Packages”) to support businesses in these challenging times.

25 Impact of COVID-19 (continued)

The management has been closely monitoring the potential impact of the COVID 19 developments on the Company's operations and financial position; including possible loss of revenue, impact on asset valuations, impairment, review of onerous contracts and debt covenants, outsourcing arrangements etc. The Company has also put in place contingency measures, which include but are not limited to enhancing and testing of business continuity plans including its liquidity requirements. Based on their assessment, the management is of the view that the Company will continue as a going concern entity for the next 12 months from the date of these financial statements.

In preparing these financial statements, judgments made by management in applying the Company's accounting policies and sources of estimation are subject to uncertainty regarding the potential impacts of the current economic volatility and these are considered to represent management's best assessment based on available or observable information.

The overall impact of COVID-19 on the financial statements as assessed by the Company is as below:

Project execution effected due to man power shortage and additional lead time and delay in material deliveries	QR 2,500,000
Expenses incurred on sanitizers, masks, gloves, disinfection, quarantine facilities, additional transportation cost, etc.	QR 335,757

Considering the facts disclosed above, the management has performed the impairment assessment of its financial assets and determined the recoverable amount of those assets which are less than their carrying value. Accordingly, the management has recorded an impairment loss of QR 654,379 against the carrying value of its trade receivables during the year ended 31 March 2021.

The impairment of assets is summarised as follows:

Class of assets	Carrying value before impairment	Recoverable amount	Impairment	Carrying value after impairment
Trade receivables	31,644,023	30,554,169	1,089,854	30,554,169

26 Comparative figures

The comparative figures for the previous period have been regrouped and reclassified, where necessary, in order to conform to the current year's presentation. Such reclassifications do not affect the previously reported profit, net assets or equity."