

**Widam Food Company Q.P.S.C.**

**Financial Statements**

**31 December 2022**

**Widam Food Company Q.P.S.C.**

**Financial statements  
As at and for the year ended 31 December 2022 .**

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KPMG  
Zone 25 C Ring Road  
Street 230, Building 246  
PO Box 4473, Doha  
State of Qatar  
Telephone: +974 4457 6444  
Fax: +974 4436 7411  
Website: home.kpmg/qa

## Independent auditor's report

**To the Shareholders of  
Widam Food Company Q.P.S.C.  
Doha, State of Qatar**

### Opinion

We have audited the financial statements of Widam Food Company Q.P.S.C. (the 'Company'), which comprise the statement of financial position as at 31 December 2022, the statements of profit or loss and other comprehensive income, changes in equity and cash flows for the year then ended, and notes, comprising significant accounting policies and other explanatory information. In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at 31 December 2022, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS 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 Financial Statements* section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), together with the ethical requirements that are relevant to our audit of the Company's 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 financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.



## Independent auditor's report (continued)

### Widam Food Company Q.P.S.C.

#### Key Audit Matters (continued)

##### Right-of-use assets and lease liabilities

#### The key audit matter

We focused on this area because:

- The carrying amount of right-of-use assets and lease liabilities were QR 130,584,336 and QR 137,235,018 which represents 28% of total assets and 50% of total liabilities respectively, hence it constitutes a material portion of the statement of financial position as at 31 December 2022.
- IFRS 16 requires complex accounting treatments including use of significant estimates and judgements, such as identification of lease, lease term, etc.

#### How the matter was addressed in our audit

Our audit procedures in this area included, among others:

- Testing the management's process, systems and controls in calculating the right-of-use assets and lease liabilities;
- Assessing the appropriateness of discount rate applied in determining the present value of the unpaid lease liability i.e. the interest rate implicit in the lease or, when not readily determinable, the incremental borrowing rate;
- Inspecting the accuracy of the underlying lease data by agreeing a representative sample of leases to original contracts or other supporting information and evaluating whether management's determination of the lease term, lease payment is appropriate including the assessment of fixed and variable lease payments, by agreeing lease payments to lease contracts and terms;
- Evaluating the presentation and adequacy of the relevant disclosures in the financial statements as per the requirements of IFRS 16.

#### Other Information

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

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

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

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



## Independent auditor's report (continued)

### Widam Food Company Q.P.S.C.

#### Responsibilities of Board of Directors for the Financial Statements

The Board of Directors is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS Standards, and for such internal control as the Board of Directors 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, the Board of Directors 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 the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

#### Auditors' 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 judgement 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.
- 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 the Board of Directors.
- Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the 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.



## Independent auditor's report (continued)

### Widam Food Company Q.P.S.C.

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

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the Company audit. We remain solely responsible for our audit opinion.

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

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

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

#### Report on Other Legal and Regulatory Requirements

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

- We have obtained all the information and explanations we considered necessary for the purposes of our audit.
- The Company has maintained proper accounting records and its financial statements are in agreement therewith.
- Furthermore, the physical count of the Company's inventories was carried out in accordance with established principles.
- We are not aware of any violations of the applicable provisions of the amended QCCL or the terms of the Company's Articles of Association and any amendments thereto having occurred during the year which might have had a material effect on the Company's financial position or performance as at and for the year ended 31 December 2022.

1 March 2023  
Doha  
State of Qatar



*Yacoub Hobeika*

Yacoub Hobeika  
KPMG  
Qatar Auditors' Registry Number 289  
Licensed by QFMA: External  
Auditors' License No. 120153


**Widam Food Company Q.P.S.C.**

**Statement of financial position  
As at 31 December 2022**

In Qatari Riyals

	Notes	31 December 2022	31 December 2021
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property and equipment	5	29,252,802	33,730,251
Projects under progress	6	34,745,540	20,570,525
Equity investment – FVOCI	7	58,208,620	54,938,900
Right-of-use assets	8	130,584,336	137,510,644
		<u>252,791,298</u>	<u>246,750,320</u>
<b>Current assets</b>			
Inventories	9	90,704,154	31,518,367
Trade and other receivables	10	114,857,708	80,741,507
Cash and bank balances	11	12,801,620	167,760,671
		<u>218,363,482</u>	<u>280,020,545</u>
<b>Total assets</b>		<b><u>471,154,780</u></b>	<b><u>526,770,865</u></b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Share capital	12	180,000,000	180,000,000
Legal reserve	13	88,972,992	88,972,992
Fair value reserve	14	19,808,420	16,538,700
Foreign currency translation reserve		(48,035,809)	(23,837,481)
Retained (Loss) / earnings		(46,630,186)	14,984,667
<b>Total equity</b>		<b><u>194,115,417</u></b>	<b><u>276,658,878</u></b>
<b>Non-current liabilities</b>			
Provision for employees' end of service benefits	15	12,761,695	12,107,532
Lease liabilities	8	128,774,518	132,329,370
		<u>141,536,213</u>	<u>144,436,902</u>
<b>Current liabilities</b>			
Trade and other payables	16	90,435,226	98,802,936
Islamic financing		36,607,424	-
Lease liabilities	8	8,460,500	6,872,149
		<u>135,503,150</u>	<u>105,675,085</u>
<b>Total liabilities</b>		<b><u>277,039,363</u></b>	<b><u>250,111,987</u></b>
<b>Total equity and liabilities</b>		<b><u>471,154,780</u></b>	<b><u>526,770,865</u></b>

These financial statements were approved by the Board of Directors and signed on its behalf by the following on 1 March 2023:

  
Mr. Ali Ibrahim AL- Abdul Ghani  
Deputy Chairman – Board of Directors

  
ALNoubay Salem Al-Marri  
Chief Executive Officer

The notes on pages 11 to 40 are an integral part of these financial statements.



**Widam Food Company Q.P.S.C.**

**Statement of profit or loss and other comprehensive income  
For the year ended 31 December 2022**

In Qatari Riyals

	Notes	For the year ended	
		31 December 2022	31 December 2021
Revenue	17	483,848,207	420,649,630
Cost of sales	18	<u>(506,556,160)</u>	<u>(449,676,395)</u>
<b>Gross loss</b>		<b>(22,707,953)</b>	<b>(29,026,765)</b>
Other income		17,459,409	14,040,579
General and administrative expenses	19	<u>(50,640,680)</u>	<u>(57,091,584)</u>
<b>Operating loss</b>		<b>(55,889,224)</b>	<b>(72,077,770)</b>
Income from bank deposits		681,510	2,623,634
Reversal of provision against Government compensation receivable	10	-	13,000,000
Reversal /(provided) of provision for expected credit loss against trade receivables	10	1,113,905	(2,000,000)
Finance cost on lease liabilities		<u>(7,521,044)</u>	<u>(7,760,570)</u>
<b>Loss for the year</b>		<b>(61,614,853)</b>	<b>(66,214,706)</b>
<b>Other comprehensive income:</b>			
<i>Items that may be reclassified subsequently to profit or loss:</i>			
Foreign operation - Foreign currency translation differences		(24,198,328)	-
<i>Items that will not be reclassified to profit or loss:</i>			
Financial assets at FVOCI - net change in fair value		<u>3,269,720</u>	<u>(9,352,901)</u>
<b>Total comprehensive loss for the year</b>		<b>(82,543,461)</b>	<b>(75,567,607)</b>
<b>Earnings per share</b>			
Basic and diluted earnings per share	20	<u>(0.34)</u>	<u>(0.37)</u>



The notes on pages 11 to 40 are an integral part of these financial statement



**Widam Food Company Q.P.S.C.**

**Statement of changes in equity  
For the year ended 31 December 2022**

In Qatari Riyals

	Share capital	Legal reserve (1)	Fair value reserve (2)	Foreign currency translation reserve (3)	Retained earnings	Total
At 1 January 2022	180,000,000	88,972,992	16,538,700	(23,837,481)	14,984,667	276,658,878
<i>Total comprehensive income:</i>						
Loss for the year	-	-	-	-	(61,614,853)	(61,614,853)
Other comprehensive income	-	-	3,269,720	(24,198,328)	-	(20,928,608)
Total comprehensive income for the year	-	-	3,269,720	(24,198,328)	(61,614,853)	(82,543,461)
<i>Other movement:</i>						
Realized loss on disposal of investment at FVOCI	-	-	-	-	-	-
<i>Transactions with owners of the Company:</i>						
Dividends (Note 23)	-	-	-	-	-	-
<b>At 31 December 2022</b>	<b>180,000,000</b>	<b>88,972,992</b>	<b>19,808,420</b>	<b>(48,035,809)</b>	<b>(46,630,186)</b>	<b>194,115,417</b>



The notes on pages 11 to 40 are an integral part of these financial statements.

**Widam Food Company Q.P.S.C.**

**Statement of changes in equity (continued)  
For the year ended 31 December 2021**

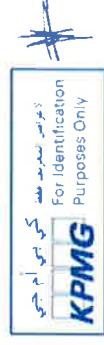
In Qatari Riyals

	Share capital	Legal reserve (1)	Fair value reserve (2)	Foreign currency translation reserve (3)	Retained earnings	Total
At 1 January 2021	180,000,000	88,972,992	25,655,601	(23,837,481)	99,435,373	370,226,485
<i>Total comprehensive income:</i>						
Loss for the year	-	-	-	-	(66,214,706)	(66,214,706)
Other comprehensive income	-	-	(9,352,901)	-	-	(9,352,901)
Total comprehensive income for the year			(9,352,901)	-	(66,214,706)	(75,567,607)
<i>Other movement:</i>						
Realized loss on disposal of investment at FVOCI	-	-	236,000	-	(236,000)	-
<i>Transactions with owners of the Company:</i>						
Dividends (Note 23)	-	-	-	-	(18,000,000)	(18,000,000)
At 31 December 2021	180,000,000	88,972,992	16,538,700	(23,837,481)	14,984,667	276,658,878

(1) In accordance with the provisions of Qatar Commercial Companies Law No 11 of 2015, a minimum of 10% of the net profit in each year is required to be appropriated to the legal reserve until the balance in this reserve account becomes equal to 50% of the paid up capital. The balance in the legal reserve account is not distributable except in the circumstances specified in the above mentioned law. No transfer has been made in the current year because of the loss for the year.

(2) The fair value reserve comprises the cumulative net change in the fair value of financial assets at fair value through other comprehensive income.

(3) The translation reserve comprises all foreign currency differences arising from the translation of investments in Sudan branch at the closing exchange rates.



The notes on pages 11 to 40 are an integral part of these financial statements.

**Widam Food Company Q.P.S.C.**

**Statement of cash flows  
For the year ended 31 December 2022**

In Qatari Riyals

	Notes	For the year ended	
		31 December 2022	31 December 2021
<b>Cash flows from operating activities</b>			
Loss for the year		(61,614,853)	(66,214,706)
<i>Adjustments for:</i>			
Loss on disposal of property and equipment (Reversal of) / provision for expected credit loss against trade receivables	5 10	- (3,759,978)	3,537,747 2,000,000
Dividend income		(2,015,060)	(2,215,060)
Income from bank deposits and call accounts		(681,510)	(2,623,634)
Income from derecognition of right-of-use asset and lease liability		-	(8,083)
Depreciation of property and equipment	5	5,909,258	4,959,550
Depreciation of right-of-use of assets	8	11,290,052	11,403,235
Finance cost on lease liabilities		7,521,044	7,760,570
Reversal of provision against Government compensation receivable	10	-	(13,000,000)
Provision for employees' end of service benefits	15	1,973,963	2,047,775
		(41,377,084)	(52,352,606)
<i>Working capital changes:</i>			
- inventories		(59,185,787)	12,247,068
- trade and other receivables		(30,356,223)	85,658,392
- trade and other payables		(8,367,710)	(51,287,765)
Cash (used in) / generated from operations		(139,286,804)	(5,734,911)
Employees' end of service benefits paid	15	(1,319,800)	(5,050,079)
<b>Net cash used in operating activities</b>		<b>(140,606,604)</b>	<b>(10,784,990)</b>
<b>Cash flows from investing activities</b>			
Acquisition of property and equipment	5	(1,431,809)	(18,429,414)
Proceeds from disposal of property and equipment	5	-	377,679
Movement in projects under progress		(14,175,015)	(2,441,503)
Receipt from disposal of financial asset at FVOCI		-	3,764,000
Net movement in bank deposits		140,100,000	(140,000,000)
Income from bank deposits and call accounts		681,510	2,623,634
Dividend income		2,015,060	2,215,060
<b>Net cash used in investing activities</b>		<b>127,189,746</b>	<b>(151,890,544)</b>
<b>Cash flows from financing activities</b>			
Dividends paid to the Company's shareholders		-	(17,989,121)
Additions of Islamic financing credit facilities		36,607,424	-
Payments of lease liabilities	8	(6,330,245)	(9,130,599)
Finance cost paid on lease liabilities		(7,521,044)	(7,760,570)
<b>Net cash generated from / (used in) financing activities</b>		<b>22,756,135</b>	<b>(34,880,290)</b>



Widam Food Company Q.P.S.C.

Statement of cash flows (continued)  
For the year ended 31 December 2022

In Qatari Riyals

	Notes	For the year ended	
		31 December 2022	31 December 2021
<b>Net Increase / (decrease) in cash and cash equivalents during the year</b>		9,339,277	(197,555,824)
Cash and cash equivalents at the beginning of the year		27,660,671	225,216,495
Net translation differences		(24,198,328)	-
<b>Cash and cash equivalents at the end of the year</b>	11	<b>12,801,620</b>	<b>27,660,671</b>
<b>Non cash Transactions</b>			
Assets transferred from projects under progress to Property and equipment		-	5,550,833



The notes on pages 11 to 40 are an integral part of these financial statements.

## Widam Food Company Q.P.S.C.

### Notes to the financial statements As at and for the year ended 31 December 2022

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#### 1. REPORTING ENTITY

Widam Food Company Q.P.S.C. (the "Company") was incorporated in accordance with the Resolution No. 75 of 2003 issued by the Minister of Economy and Finance of the State of Qatar as a Qatari Public Shareholding Company, and was registered at the Ministry of Economy and Commerce of the State of Qatar with the Commercial Registration No. 26911 dated 16 December 2003. The Company is domiciled in the State of Qatar, where it also has its principal place of business. Its registered office is at Fifth floor, Al Shamoukh Tower, Al Saad, Doha.

The Company's principal activities include the import and trade of livestock, meat and feeds. In addition the Company is engaged in the slaughter of sheep and cattle and supplying the local market with fresh meat and related products.

The accompanying financial statements include the assets, liabilities and results of the operations of the Company's branch in Sudan.

The management is in the process of taking necessary actions needed to ensure full compliance with the requirements of Qatar Commercial Companies Law No.11 of 2015, whose certain provisions were subsequently amended by Law No. 8 of 2021, including amending the Articles of Association of the Company where necessary, and has concluded that any non-compliance, if any as at the reporting date does not have a material impact on the financial statements.

#### 2. BASIS OF PREPARATION

##### a) Statement of compliance

These financial statements have been prepared in accordance with the International Financial Reporting Standards (IFRS Standards).

##### b) Basis of measurement

These financial statements have been prepared under the historical cost convention, except for the biological assets and equity investments – FVOCI which are carried at fair value.

##### c) Functional and presentation currency

These financial statements have been presented in Qatari Riyals, which is the Company's functional currency. All values were rounded to the nearest Qatari Riyals, unless otherwise stated.

The financial statements of the Company were authorized for issue by the Board of Directors on 1 March 2023.

##### d) Use of estimates and judgements

The preparation of the financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised and in any future periods affected.

In particular, information about significant areas of estimation uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amount recognized in the financial statements are described as follows:

##### *Measurement of fair values*

When measuring the fair value of an asset or liability, the Company uses market observable data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: Quoted market price (unadjusted) in active markets for identical assets or liabilities;
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the assets or liabilities, either directly (i.e. as prices) or indirectly (i.e. derived from prices);

## Widam Food Company Q.P.S.C.

### Notes to the financial statements As at and for the year ended 31 December 2022

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#### 2. BASIS OF PREPARATION (CONTINUED)

##### d) Use of estimates and judgements (continued)

###### *Measurement of fair values (continued)*

- Level 3: inputs for the 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 might be categorised in 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.

The Company recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred. Details of fair value measurements are mentioned in Note 25.

###### *Going concern*

Management has made an assessment of the Company's ability to continue as a going concern and is satisfied that the Company has the resources to continue in business for the foreseeable future. The Company incurred a loss of QR 61,614,853 for the year ended 31 December 2022 and as of that date, the Company has negative cashflows from operations amounting to QR 140,606,604. Despite these events and conditions, the financial statements have been prepared on a going concern basis as management believes that the business operations will improve in the foreseeable future. Furthermore, management is not aware of any material uncertainties that may cast significant doubt upon the Company's ability to continue as a going concern. Therefore, the financial statements continue to be prepared on a going concern basis.

###### *Depreciation of property and equipment and right-of-use assets*

Items of property and equipment and right-of-use assets are depreciated over their estimated individual useful lives. The determination of useful lives is based on the expected usage of the asset, physical wear and tear, technological or commercial obsolescence and impacts the annual depreciation charge recognized in the financial statements. Management reviews annually the residual values and useful lives of these assets. Future depreciation charge could be materially adjusted where management believes the useful lives differ from previous estimates.

###### *Impairment of property and equipment and right-of-use assets*

The carrying amounts of the Company's property and equipment and right-of-use assets are reviewed at each reporting date to determine whether there is any indication of impairment. If such indication exists, then an impairment test is performed by the management. The identification of impairment indicators, as well as the estimation of future cash flows, discount rates, and the determination of the fair value for the assets requires management to make significant assumptions and estimates.

###### *Impairment of receivables*

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

###### *Provision for employees' end of service benefits*

Management has measured the Company's obligation for the post-employment benefits of its employees based on the provisions of the Qatar Labour Law. Management does not perform an actuarial valuation as required by International Accounting Standard 19 "Employee Benefits" as it estimates that such valuation does not result to a significantly different level of provision. The calculation of the provision is performed by management at the end of each year, and any change to the projected benefit obligation at the year-end is adjusted in the provision for employees' end of service benefits in the profit or loss.

## Widam Food Company Q.P.S.C.

### Notes to the financial statements As at and for the year ended 31 December 2022

#### 2. BASIS OF PREPARATION (CONTINUED)

##### d) Use of estimates and judgements (continued)

###### *Lease liabilities*

Management assesses whether contracts entered by the Company for renting various assets contain a lease. The lease identification, including whether or not the Company 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.

###### *Other provisions and liabilities*

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

##### e) New standards, amendments and interpretations effective from 1 January 2022

A number of new standards are effective from 1 January 2022 or later, but they do not have a material effect on the Company's financial statements.

- COVID-19-Related Rent Concessions beyond 30 June 2021 (Amendment to IFRS 16)
- Onerous Contracts – Cost of Fulfilling a Contract (Amendments to IAS 37)
- Annual Improvements to IFRS Standards 2018-2020
- Property, Plant and Equipment: Proceeds before Intended Use (Amendments to IAS 16)
- Reference to the Conceptual Framework (Amendments to IFRS 3)

The adoption of these amendments have had no significant impact on these financial statements.

##### f) New and amended standards and an interpretation to a standard not yet effective, but available for early adoption

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

Effective for year beginning 1 January 2023	<ul style="list-style-type: none"><li>• IFRS 17 Insurance Contracts and amendments to IFRS 17 Insurance Contracts</li><li>• Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2)</li><li>• Definition of Accounting Estimate (Amendments to IAS 8)</li><li>• Deferred Tax Related to Assets and Liabilities Arising from a Single Transaction – Amendments to IAS 12 Income Taxes</li><li>• Initial Application of IFRS 17 and IFRS 9 – Comparative Information (Amendments to IFRS 17)</li></ul>
Effective for year beginning 1 January 2024	<ul style="list-style-type: none"><li>• Classification of Liabilities as Current or Non-current (Amendments to IAS 1)</li><li>• Lease Liability in a Sale and Leaseback (Amendments to IFRS 16)</li><li>• Non-current Liabilities with Covenants (Amendments to IAS 1)</li></ul>



## Widam Food Company Q.P.S.C.

### Notes to the financial statements As at and for the year ended 31 December 2022

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#### 3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

##### a) Property and equipment

###### **Recognition and measurement**

Items of equipment are measured at cost less accumulated depreciation and impairment losses, if any. Cost includes expenditure that is directly attributable to the acquisition of the asset.

Cost includes expenditure that is directly attributable to the acquisition of an asset. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

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

###### **Subsequent costs**

Subsequent expenditure is capitalized only if it is probable that future economic benefits associated with the expenditure will flow to the Company and its cost can be measured reliably.

###### **Depreciation**

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

The estimated useful lives of the property and equipment in the current and comparative period are as follows:

Leasehold land	20 years
Buildings and leasehold improvements	20 years
Furniture and fixtures	5 – 20 years
Computers equipment	4 – 10 years
Tools and equipment	4 – 10 years
Motor vehicles	5 – 10 years

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

###### **Derecognition**

An item of property and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Gains and losses on disposal of an item of property and equipment are determined by comparing the proceeds from disposal with the carrying amount of property and equipment, and are recognised net within other income in profit or loss.

## Widam Food Company Q.P.S.C.

### Notes to the financial statements As at and for the year ended 31 December 2022

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#### 3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

##### b) Right-of-use assets

###### *Recognition and measurement*

Right-of-use assets are recognized at the lease commencement date at cost, which comprises the initial amount of the lease liability (see accounting policy "Leases") 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.

###### *Subsequent measurement*

Items of right-of-use assets are subsequently measured at cost less accumulated depreciation and any accumulated impairment losses.

Depreciation is calculated to write off the cost of a right-of-use asset using the straight-line method over the earlier of the lease term and its useful life. It is depreciated over its useful life, if the lease agreement either transfers ownership of the right-of-use asset to the Company by the end of the lease term or reflects that the Company will exercise a purchase option at the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of property and equipment.

In addition, the carrying value of a right of use asset may be periodically adjusted for certain remeasurements of the related lease liability (see accounting policy "Leases").

###### *Derecognition*

An item of a right-of-use asset is derecognised at the earlier of the end of the lease term, cancellation of lease contract, or transfer of control of the underlying asset. In case control of the underlying asset passes to the Company, the carrying value of the right-of-use asset is reclassified to property and equipment.

##### c) Inventories

Inventories comprise mainly livestock, meat and animal feeds, which are measured at the lower of cost and net realisable value. The cost of inventories is based on the moving average method, and includes expenditure incurred in acquiring the inventories and other costs incurred in bringing them to their existing location and condition. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

When inventories are sold, the carrying amount of those inventories is recognised as an expense in the period in which the related revenue is recognised. A provision is made for any write-down of inventories to net realisable value and such a provision is reflected as an expense in profit or loss in the period the write-down. The amount of any reversal of any write-down of inventories, arising from an increase in net realisable value, is recognised in profit or loss in the period in which the reversal occurs.

##### d) Financial instruments

###### i) Recognition and initial measurement

Trade receivables are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Company becomes a party to the contractual provisions of the instrument.

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

## Widam Food Company Q.P.S.C.

### Notes to the financial statements As at and for the year ended 31 December 2022

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#### 3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

##### d) Financial instruments (continued)

##### ii) Classification and subsequent measurement

###### *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 Company 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.

The Company does not have any debt instrument.

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. On initial recognition, the Company 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 Company 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 Company's management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- how managers of the business are compensated – e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

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

## Widam Food Company Q.P.S.C.

### Notes to the financial statements As at and for the year ended 31 December 2022

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#### 3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

##### d) Financial instruments (continued)

##### ii) Classification and subsequent measurement (continued)

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

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin. In assessing whether the contractual cash flows are solely payments of principal and interest, the Company 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 Company 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 Company's claim to cash flows from specified assets (e.g. non-recourse features).

A prepayment feature is consistent with the solely payments of principal and interest 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.

*Financial assets - Subsequent measurement and gains and losses:*

- *Financial assets at amortised cost*

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

- *Financial assets at Fair Value Through Profit or Loss (FVTPL)*

These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss. The Company does not hold such assets.

- *Debt instruments at Fair Value Through Other Comprehensive Income (FVOCI)*

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

- *Equity Investments at Fair Value Through Other Comprehensive Income*

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

## Widam Food Company Q.P.S.C.

### Notes to the financial statements As at and for the year ended 31 December 2022

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#### 3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

##### d) Financial instruments (continued)

##### ii) Classification and measurement (continued)

###### *Financial liabilities – Classification, subsequent measurement and gains and losses*

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss. The Company does not hold any financial liabilities at FVTPL.

##### iii) Derecognition

###### *Financial assets*

The Company 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 Company neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

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

###### *Financial liabilities*

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

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

##### iv) Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Company 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.

##### e) Impairment

###### **Non-derivative financial assets:**

The Company recognises loss allowances for Expected Credit Losses (ECLs) on its financial assets measured at amortised cost. The Company measures loss allowances at an amount equal to lifetime ECLs, except for bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition, which are measured at 12-month ECLs.

## Widam Food Company Q.P.S.C.

### Notes to the financial statements

As at and for the year ended 31 December 2022

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#### 3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

##### e) Impairment (continued)

###### *Non-derivative financial assets: (continued)*

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

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

The Company assumes that the credit risk on a financial asset has increased significantly if it is one year past due.

The Company considers a financial asset to be in default when the customer is unlikely to pay its credit obligations to the Company in full, without recourse by the Company to actions such as realising security (if any is held) or the financial asset is more than two years past due.

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

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

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

###### *Measurement of ECLs*

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

###### *Credit-impaired financial assets*

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

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

- significant financial difficulty of the counterparty or issuer;
- a breach of contract such as a default or being more than 120 days past due;
- it is probable that the counterparty will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for a security because of financial difficulties.

###### *Presentation of allowance for ECL in the statement of financial position*

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

## Widam Food Company Q.P.S.C.

### Notes to the financial statements As at and for the year ended 31 December 2022

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#### 3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

##### e) Impairment (continued)

###### *Non-derivative financial assets: (continued)*

###### *Write-off*

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

###### *Non-financial assets*

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

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

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

An impairment loss is recognized if the carrying amount of an asset or CGU exceeds its recoverable amount. Impairment losses are recognised in profit or loss. They are allocated to reduce the carrying amounts of the other assets in the CGU on a pro rata basis.

An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation, if no impairment loss had been recognised.

##### f) Cash and cash equivalents

Cash and cash equivalents in the statement of financial position comprise cash at banks and in hand and short-term deposits with an original maturity of three months or less.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash excluding short-term deposits as defined above, net of any outstanding bank overdrafts.

##### g) Share capital

Ordinary shares are classified as equity.

##### h) Provisions

A provision is recognised when:

- the Company has a present obligation (legal or constructive) as a result of a past event;
- it is probable that the Company will be required to settle the obligation; and
- a reliable estimate can be made of the amount of the obligation.



## Widam Food Company Q.P.S.C.

### Notes to the financial statements As at and for the year ended 31 December 2022

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#### 3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

##### h) Provisions (continued)

Provisions are determined by discounting to present value the future expenditures expected to settle the obligation using a pre-tax discount rate that reflects the current market assessments of the time value of money and the risks specific to the liability. Provisions are reviewed annually to reflect current best estimates of the expenditure required to settle the obligations.

##### i) Employees' end of service benefits

The Company provides end of service benefits to its expatriate employees in accordance with employment contracts and the Qatar Labour Law. The entitlement to these benefits is based upon the employees' final salary and length of service, subject to the completion of a minimum service period, and are payable to the employees on termination of their employment with the Company. The expected costs of these benefits are accrued over the period of employment.

With respect to Qatari employees, the Company makes a contribution to the State administered Qatari Pension Fund calculated as a percentage of the employees' salaries. The Company's obligations are limited to these contributions. The cost is considered as part of staff costs in note 18 and note 19.

The Company has no expectation of settling its employees' end of service benefits obligation within 12 months from the balance sheet and, therefore, it has classified the obligation within non-current liabilities in the statement of financial position. The provision is not discounted to present value as the effect of the time value of money is not expected to be significant.

##### j) Leases

At inception of a contract, the Company 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 Company assesses whether:

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

Where it is established that the Company is a lessee, a right-of-use asset (See accounting policy "Right-of-use asset") and a lease liability are recognized at the lease commencement date.

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 Company's incremental borrowing rate. Generally, the Company uses its incremental borrowing rate as the discount rate.

## Widam Food Company Q.P.S.C.

### Notes to the financial statements As at and for the year ended 31 December 2022

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#### 3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

##### j) Leases (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 Company is reasonably certain to exercise, lease payments in an optional renewal period if the Company is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Company is reasonably certain not to terminate early.

Lease liabilities are subsequently measured at amortised cost using the effective interest method.

A lease liability 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 Company's estimate of the amount expected to be payable under a residual value guarantee, or if the Company changes its assessment of whether it will exercise a purchase, extension or termination option. When a 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 Company has elected not to recognise right-of-use assets and lease liabilities for short-term lease contracts that have a lease term of 12 months or less and leases of low-value assets. The Company recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

##### **Leases – Company as a lessor**

A lease is an agreement whereby the lessor conveys to the lessee, in return for a payment or series of payments, the right to use an asset for an agreed period of time.

Leases in which a significant portion of the risk and rewards of ownership are retained by the lessor are classified as operating leases. Under an operating lease, the asset is included in the statement of financial position as property and equipment. Lease income is recognized over the term of the lease on a straight-line basis. This implies the recognition of deferred income when the contractual day rates are not constant during the initial term of the lease contract.

Leases in which a significant portion of the risk and rewards of ownership are transferred to the lessee are classified as finance leases. They are initially recognised as "Finance lease receivables" on the statement of financial position at the present value of the minimum lease payments (the net investment in the lease) receivable from the lessee over the period of the lease. Over the lease term, each lease payment made by the lessee is allocated between the "Finance lease receivables" and "Finance lease income" in profit or loss so as to achieve a constant rate on the finance lease receivable balance outstanding. The Company does not have finance lease receivables.

## Widam Food Company Q.P.S.C.

### Notes to the financial statements As at and for the year ended 31 December 2022

#### 3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

##### k) Revenue recognition

Type of services	Nature and timing of satisfaction of performance obligations, including significant payment terms	Revenue recognition policies
Sale of livestock, meat and animal feeds	<p>The Company sells livestock, meat and animal feeds through its large number of butcheries.</p> <p>Customer takes control of the above items at the time of delivery of goods. Invoices are generated and revenue is recognised at that point in time.</p>	Revenue is recognised when the Company transfers control over an item to a customer.
Slaughtering and cutting services	<p>The Company also provides cutting and slaughtering services to the customers through its butcheries and slaughtering houses.</p> <p>Customer takes control of the above at the time of receiving the services. Invoices are generated and revenue is recognised at that point in time.</p>	Revenue is recognised when the Company provides services to a customer.

##### l) Government compensation

The Company recognizes Government compensation related to the price of Syrian and Local meat in statement of profit or loss when the compensation becomes receivable (i.e when sale is made), and based on the contractual agreement with the Government of Qatar, the Government compensates the Company with fixed amount of QR 700 per sheep sold as fixed compensation.

##### m) Expense recognition

Expenses are recognized in profit or loss when a decrease in future economic benefits related to a decrease in an asset or an increase of a liability has arisen and can be measured reliably.

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

##### n) Earnings per share

The Company presents basic earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the income attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the year. Diluted EPS is determined by adjusting the income attributable to ordinary shareholders and the weighted average number of shares outstanding for the effects of all dilutive potential ordinary shares, which comprise convertible notes and share options granted to employees (if any)

##### o) Foreign currency translation

###### *Foreign operations*

For the purpose of the financial statements, the results and financial position of the foreign branch is expressed in the functional currency of the Parent Company at the exchange rate prevailing at the reporting date. Income and expenses are translated at the average exchange rates for the year unless exchange rates fluctuated significantly during the year in which case the exchange rates at the dates of the transactions are used. Investment in foreign associates is translated at the closing exchange rates. Foreign currency translation differences are recognised directly in other comprehensive income.

**3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)****o) Foreign currency translation (continued)*****Foreign currency transactions***

Foreign currency transactions are initially recorded in Qatari Riyals at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated to Qatari Riyal at the exchange rate at that date.

**4. FINANCIAL RISK MANAGEMENT**

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

- Credit risk
- Liquidity risk
- Market risk

This note presents information about the Company's exposure to each of the above risks, the Company's objectives, policies and processes for measuring and managing risk and Company's management of capital.

The management have the overall responsibility for the establishment and oversight of the Company's risk management

The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities.

**i. Credit risk**

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Company is exposed to credit risk on trade and other receivables, due from related parties and bank balances.

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was:

	<b>Carrying amounts</b>	
	<b>2022</b>	2021
Trade and other receivables – net (excluding prepayments and advances to suppliers)	109,620,581	67,926,037
Bank balances	<u>11,430,573</u>	<u>167,072,913</u>
	<b><u>121,051,154</u></b>	<b><u>234,998,950</u></b>

***Trade and other receivables***

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk associated with the industry and country in which customers operate.

The Company transacts with large number of customers, and there is one customer namely Yemek Doha Catering Services which makes up around 6% of trade receivables at the reporting date (2021: 6%).

**4. FINANCIAL RISK MANAGEMENT (CONTINUED)****i. Credit risk (continued)***Trade and other receivables (continued)*

The Company limits its exposure to credit risk from trade receivables by establishing a maximum payment period of three months for corporate customers.

In monitoring customer credit risk, customers are grouped according to their credit characteristics, including whether they are an individual or a legal entity, whether they are a wholesale, retail or end-user customer, their geographic location, industry, trading history with the Company and existence of previous financial difficulties.

The Company does not require collateral in respect of trade and other receivables. The Company does not have trade receivable for which no loss allowance is recognised because of collateral.

A summary of the Company's exposure to credit risk for trade receivables is as follows.

An analysis of the credit quality of trade receivables that were neither past due nor impaired and the ageing of trade receivables that were past due but not impaired as at 31 December is as follows.

	<b>2022</b>	2021
Current	72,745,918	17,083,063
Past due 31 – 60 days	958,392	6,124,290
Past due 61 – 90 days	903,300	3,027,004
Past due 91 – 120 days	646,044	1,531,932
Past due >120 days	9,615,782	10,271,715
<b>Total</b>	<b>84,869,436</b>	<b>38,038,004</b>

*Expected credit loss assessment for customers as at 31 December 2022*

The Company uses an allowance matrix to measure the ECLs of trade receivables. In calculating the expected credit loss rates, the Company considers historical loss rates for each category of debtor, and adjusts for forward looking macroeconomic data.

The key elements used to calculate the ECL are as follows:

*Probability of default*

The Probability of Default ("PD") which is an estimate of the likelihood of default over a given time horizon. The PDs used are based on the Company's historical rate of default. PDs are estimated with consideration of economic scenarios and forward-looking information.

*Loss Given Default*

The Loss Given Default ("LGD") is an estimate of the loss arising in the asset where a default occurs at a given time. It is based on the difference between the contractual cash flows due and those that are expected to be recovered from the counterparty taking into account the potential recovery from the realisation of any collateral.

*Forward looking information*

In forward looking macroeconomic data the Company relies on GDP growth rates.

**Widam Food Company Q.P.S.C.**

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**4. FINANCIAL RISK MANAGEMENT (CONTINUED)**

**i. Credit risk (continued)**

*Trade and other receivables (continued)*

The following tables provides information about the exposure to credit risk and ECLs for trade receivables.

<b>31 December 2022</b>	<b>Weighted average loss rate</b>	<b>Gross carrying amount</b>	<b>Loss allowances</b>	<b>Credit impaired</b>
Current	1%	72,745,918	879,293	No
Past due 31 - 60 days	9%	958,392	86,883	No
Past due 61 - 90 days	30%	903,300	267,077	No
Past due 91 - 120 days	30%	646,044	195,470	No
Past due >120 days	88%	9,615,782	8,418,582	Yes
	<b>12%</b>	<b>84,869,436</b>	<b>9,847,305</b>	

<b>31 December 2021</b>	<b>Weighted average loss rate</b>	<b>Gross carrying amount</b>	<b>Loss allowances</b>	<b>Credit impaired</b>
Current	2%	17,083,063	336,978	No
Past due 31 - 60 days	10%	6,124,290	593,844	No
Past due 61 - 90 days	27%	3,027,004	816,523	No
Past due 91 - 120 days	30%	1,531,932	460,987	No
Past due >120 days	85%	10,271,715	8,752,878	Yes
	<b>29%</b>	<b>38,038,004</b>	<b>10,961,210</b>	

*Bank balances*

The Company held bank balances of QR 11,430,573 at 31 December 2022 (2021: QR 167,072,913). The cash and cash equivalents are held with bank and financial institution counterparties, which are rated Aa3 to Ba1, based on Moody's ratings.

**ii. Liquidity risk**

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company'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 Company's reputation.

The table below summarizes the contractual undiscounted maturities of the Company's financial liabilities at the reporting date.

<b>31 December 2022</b>	<b>Carrying amounts</b>	<b>Contractual cash flows</b>	<b>Less than 1 year</b>	<b>More than 1 year</b>
<b><i>Non-derivative financial liabilities</i></b>				
Trade and other payables (excluding accruals and advances)	74,234,993	(74,234,993)	(74,234,993)	-
Lease liabilities	137,235,018	(231,995,349)	(15,787,984)	(216,207,365)
	<b>211,470,011</b>	<b>(306,230,342)</b>	<b>(90,022,977)</b>	<b>(216,207,365)</b>

**Widam Food Company Q.P.S.C.**

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**4. FINANCIAL RISK MANAGEMENT (CONTINUED)**

**ii. Liquidity risk (continued)**

31 December 2021	Carrying amounts	Contractual cash flows	Less than 1 year	More than 1 year
<i>Non-derivative financial liabilities</i>				
Trade and other payables (excluding accruals and advances)	81,006,526	(81,006,526)	(81,006,526)	-
Lease liabilities	139,201,519	(242,151,334)	(14,727,589)	(227,423,745)
	<u>220,208,045</u>	<u>(323,157,860)</u>	<u>(95,734,115)</u>	<u>(227,423,745)</u>

**iii. Market risk**

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

*Currency risk*

Currency risk is the risk that the value of a financial instrument will fluctuate due to a change in foreign exchange rates. The Company's exposure to foreign currency risk is minimal as most of the transactions are carried out in functional (Qatari Riyal) which is pledged to the US Dollar. The functional currency of Company's branch in Sudan was reassessed by management to be US Dollar from 2018 and the impact of this reassessment on the prior years is not material to the financial statements.

*Equity price risk*

The Company is exposed to equity securities risk. This arises from investments held by the Company for which prices in the future are uncertain. The following table demonstrates the sensitivity of the effect of cumulative changes in fair value of the Company to reasonably possible changes in equity prices (excluding equity derivatives) with all variables held constant. The effect of decrease in equity prices is expected to be equal and opposite to the effect of the increase shown. A decrease on the listed securities shown below would have an impact on the income or equity, depending on whether or not the decline is significant or prolonged. An increase in the listed securities shown below would impact equity with a similar amount but will not have an effect on income unless there is an impairment charge associated with it.

	<i>Changes in equity price</i>	<i>Effect on equity QR</i>
<b>2022</b>		
Qatar Exchange	±10%	<u>5,820,862</u>
<b>2021</b>		
Qatar Exchange	±10%	<u>5,493,890</u>

*Interest rate risk*

As the Company has significant interest-bearing assets, the Company's income and operating cash flows are substantially dependent on changes in market interest rates. The Company's interest rate risk on its assets arises from short-term fixed deposits and call accounts that earn variable interest rates and expose the Company to cash flow interest rate risk. The Company's cash in bank current accounts earn no interest and expose the Company to some insignificant fair value interest rate risk. On the liability side, the Company has interest bearing Islamic financing credit facilities, which are issued at fixed rates and does not expose the Company to any cash flow interest rate risk. The Company's management monitors the interest rate fluctuations on a continuous basis and acts accordingly.



## Widam Food Company Q.P.S.C.

### Notes to the financial statements As at and for the year ended 31 December 2022

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#### 4. FINANCIAL RISK MANAGEMENT (CONTINUED)

##### iii. Market risk (continued)

###### *Interest rate risk (continued)*

At the reporting date the interest rate profile of the Company's interest-bearing financial instruments was:

	Carrying amount	
	31 December 2022	31 December 2021
Fixed deposits with banks (variable interest)	-	140,000,000
Call accounts (variable interest)	<u>986,577</u>	<u>16,452,284</u>

###### *Fair value sensitivity analysis for variable interest rate*

A change of 100 basis points in interest rates at the reporting date would have increased or (decreased) equity and profit or loss by the amounts shown below. This analysis assumes that all other variables remain constant.

	Profit or (Loss)	
	31 December 2022	31 December 2021
Cash flow sensitivity	<u>9,866</u>	<u>1,564,522</u>

A decrease of 100 basis points in interest rate at the reporting date would have exactly the same but opposite impact in equity and profit or loss.

##### iv. Capital risk

The Company's objective when managing capital are, to safeguard the Company's ability to continue as a going concern in order to provide returns to shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

The Company's overall strategy remains unchanged from 2020. The capital structure of the Company consists of equity, comprising issued capital, reserves and retained earnings.

**Widam Food Company Q.P.S.C.**

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**5. PROPERTY AND EQUIPMENT**

	Leasehold Land (1)	Building and leasehold improvements	Furniture and fixtures	Computers equipment	Tools and equipment	Motor vehicles	Capital work - in progress	Total
<b>Cost :</b>								
At 1 January 2021	23,028	22,020,193	2,084,946	7,794,710	29,567,382	21,406,206	1,112,800	84,009,265
Additions	98,116	3,349,136	101,880	632,849	2,160,391	6,536,209	-	12,878,581
Transfer from projects under progress	-	5,550,833	-	-	-	-	-	5,550,833
Disposals (3)	-	(5,879,342)	-	-	(128)	(5,267,165)	-	(11,146,635)
Transfers	-	805,000	-	-	307,800	-	(1,112,800)	-
<b>At 31 December 2021 / 1 January 2022</b>	<b>121,144</b>	<b>25,845,820</b>	<b>2,186,826</b>	<b>8,427,559</b>	<b>32,035,445</b>	<b>22,675,250</b>	<b>-</b>	<b>91,292,044</b>
Additions	-	88,000	40,940	377,704	728,946	196,219	-	1,431,809
Transfer from projects under progress	-	-	-	-	-	-	-	-
Disposals (3)	-	-	-	(6,844)	-	(11,276)	-	(18,120)
Transfers	-	-	-	-	-	-	-	-
<b>At 31 December 2022</b>	<b>121,144</b>	<b>25,933,820</b>	<b>2,227,766</b>	<b>8,798,419</b>	<b>32,764,391</b>	<b>22,860,193</b>	<b>-</b>	<b>92,705,733</b>
<b>Accumulated depreciation :</b>								
Balance at 1 January 2021	20,732	8,460,243	1,694,198	6,388,377	24,647,507	18,622,395	-	59,833,452
Depreciation (2)	241	1,074,583	65,594	351,709	1,834,032	1,633,391	-	4,959,550
Disposals(3)	-	(2,087,139)	-	-	(128)	(5,143,942)	-	(7,231,209)
<b>At 31 December 2021 / 1 January 2022</b>	<b>20,973</b>	<b>7,447,687</b>	<b>1,759,792</b>	<b>6,740,086</b>	<b>26,481,411</b>	<b>15,111,844</b>	<b>-</b>	<b>57,561,793</b>
Disposals(3)	-	-	-	(6,220)	-	(11,900)	-	(18,120)
Depreciation (2)	629	843,175	71,323	340,279	2,043,791	2,610,061	-	5,909,258
<b>Balance at 31 December 2022</b>	<b>21,602</b>	<b>8,290,862</b>	<b>1,831,115</b>	<b>7,074,145</b>	<b>28,525,202</b>	<b>17,710,005</b>	<b>-</b>	<b>63,452,931</b>
<b>Carrying amounts</b>								
At 31 December 2021	100,171	18,398,133	427,034	1,687,473	5,554,034	7,563,406	-	33,730,251
<b>At 31 December 2022</b>	<b>99,542</b>	<b>17,642,958</b>	<b>396,651</b>	<b>1,724,274</b>	<b>4,239,189</b>	<b>5,150,188</b>	<b>-</b>	<b>29,252,802</b>

(1) This represents the land leased by the Company through its branch in Sudan.

**Widam Food Company Q.P.S.C.**

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**5. PROPERTY AND EQUIPMENT (CONTINUED)**

(2) Depreciation charge is allocated in the statement of profit or loss as follows:

	<b>31 December 2022</b>	31 December 2021
Cost of sales (Note 18)	5,395,172	4,487,599
General and administrative (Note 19)	514,086	471,951
	<u><b>5,909,258</b></u>	<u>4,959,550</u>

(3) The net loss recorded on the disposals of property and equipment included in general and administrative expenses in the statement of profit or loss is calculated as follows:

	<b>31 December 2022</b>	31 December 2021
Cost related to disposals	-	11,146,635
Less: Accumulated depreciation related to disposals	-	(7,231,209)
Net book value related to disposals	-	3,915,426
Less: Proceeds from disposals	-	(377,679)
Net loss from disposal of property and equipment	<u>-</u>	<u>3,537,747</u>

**6. PROJECTS UNDER PROGRESS**

Projects under progress balances at the end of the year were as follows:

	<b>31 December 2022</b>	31 December 2021
<b>Local projects</b>		
Al Shahaniya farm expansion (1)	12,843,835	12,798,835
Al Wakra facilities (2)	14,732,248	6,530,690
Abu Nakhla camel slaughter house (3)	1,537,000	1,241,000
	<u><b>29,113,083</b></u>	<u>20,570,525</u>
<b>Foreign projects</b>		
Slaughterhouse Omdurman – Sudan (5)	4,436,389	-
Sudan farm project (4)	2,384,242	2,384,242
Oracle fusion	1,047,068	-
Australia farm project (4)	460,706	460,706
Sudan branch project (4)	245,934	245,934
Mobile app for sales	149,000	-
Qatar meat factory (4)	147,965	147,965
	8,871,304	3,238,847
Impairment on foreign projects under progress (6)	(3,238,847)	(3,238,847)
	<u><b>5,632,457</b></u>	<u>-</u>
	<u><b>34,745,540</b></u>	<u>20,570,525</u>

(1) The Company has started construction of a new slaughter house in Al Shahniyah area.

(2) The Company is building storage facilities for chilled meat in Al Wakra area.

(3) In the current period, the Company has started construction of a new camel slaughter house in Abu Nakhla area.

## Widam Food Company Q.P.S.C.

### Notes to the financial statements

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#### 6. PROJECTS UNDER PROGRESS (CONTINUED)

(4) The Company invested in a number of projects related to building new slaughterhouses in some foreign countries. The work on these projects has been discontinued in 2011 based on the decision of the Government of Qatar during the prior years.

(5) In the current year, the Company's branch in Sudan has started construction of additional barns to support the expanding operations of the branch.

(6) The movement in impairment on foreign projects under progress is as follows:

	31 December 2022	31 December 2021
Opening balance	3,238,847	3,238,847
Impairment loss during the year	-	-
Closing balance	<u>3,238,847</u>	<u>3,238,847</u>

#### 7. EQUITY INVESTMENTS - FVOCI

	31 December 2022	31 December 2021
Quoted shares in Qatari public shareholding company (1)	<u>58,208,620</u>	<u>54,938,900</u>
	<u>58,208,620</u>	<u>54,938,900</u>

(1) The Company has invested in the Initial Public Offer (IPO) for the shares of a local company and purchased 38,020,000 shares of the Company with a nominal value of QR 1 per share.

#### 8. LEASES

##### A. Lessee

The Company leases office premises, properties used for slaughterhouses and shops for meat sale. The Company entered into these lease agreements in previous years as combined leases of land and buildings.

##### i) Right-of-use assets

The following amounts are recognised in the right-of-use assets in the statement of financial position and cost of sales and general and administrative expenses in the statement of profit or loss:

	31 December 2022	31 December 2021
<b>Cost</b>		
Balance at 1 January	163,544,223	152,919,523
Additions	6,287,679	10,850,819
Derecognition	-	(226,119)
Modification	(1,923,935)	-
At 31 December	<u>167,907,967</u>	<u>163,544,223</u>
<b>Accumulated depreciation</b>		
At 1 January	26,033,579	14,630,344
Depreciation (1)	11,290,052	11,403,235
At 31 December	<u>37,323,631</u>	<u>26,033,579</u>

**Widam Food Company Q.P.S.C.**

**Notes to the financial statements**

**As at and for the year ended 31 December 2022**

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**8. LEASES (CONTINUED)**

**A. Lessee (continued)**

**i) Right-of-use assets (continued)**

	<b>2022</b>	2021
<b>Carrying amounts</b>		
31 December	<u><b>130,584,336</b></u>	<u>137,510,644</u>

(1) Allocation of depreciation expense for right-of-use assets between the cost of sales and general and administrative expenses is as follows:

<b>Depreciation of right-of-use assets</b>	<b>31 December 2022</b>	31 December 2021
Cost of sales (Note 18)	6,716,105	6,511,495
General and administrative expenses (Note 19)	<u>4,573,947</u>	<u>4,891,740</u>
	<u><b>11,290,052</b></u>	<u>11,403,235</u>

**ii) Lease liabilities**

The movements of finance lease liabilities were as follows:

	<b>2022</b>	2021
Balance at 1 January	139,201,519	137,715,501
Additions	6,287,680	10,850,819
Payment	(6,330,245)	(9,130,599)
Derecognition	-	(234,202)
Modification	<u>(1,923,936)</u>	<u>-</u>
At 31 December	<u><b>137,235,018</b></u>	<u>139,201,519</u>

The finance lease liabilities are presented in the statement of financial position as follows:

	<b>31 December 2022</b>	31 December 2021
Non-current	128,774,518	132,329,370
Current	<u>8,460,500</u>	<u>6,872,149</u>
	<u><b>137,235,018</b></u>	<u>139,201,519</u>

The Company separated the total amount of cash paid into a principal portion (presented within financing activities) and finance cost (presented within operating activities) in the cash flow statement.

The maturity analysis of the contractual undiscounted cash flows of lease liabilities is as follows:

	<b>31 December 2022</b>	31 December 2021
No later than 1 year	15,787,984	14,352,589
Later than 1 year	<u>216,207,365</u>	<u>227,798,745</u>
Total undiscounted lease liabilities at 31 December	<u><b>231,995,349</b></u>	<u>242,151,334</u>
Future finance charges of finance leases	<u>(94,760,331)</u>	<u>(102,949,815)</u>
Lease liabilities included in the statement of financial position	<u><b>137,235,018</b></u>	<u>139,201,519</u>

**Widam Food Company Q.P.S.C.**

**Notes to the financial statements  
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**8. LEASES (CONTINUED)**

**B. Lessor**

The Company leased out stores which were available in the old slaughter houses. The Company had classified these leases as operating leases, because they does not transfer substantially all of the risks and rewards incidental to the ownership of the assets. In the current year the Company did not lease any premises as a lessor.

**9. INVENTORIES**

	<b>31 December 2022</b>	31 December 2021
Livestock and meat	89,023,124	29,379,194
Feeds	818,875	1,311,797
Others	<u>862,155</u>	<u>827,376</u>
	<b><u>90,704,154</u></b>	<b><u>31,518,367</u></b>

**10. TRADE AND OTHER RECEIVABLES**

	<b>31 December 2022</b>	31 December 2021
Trade receivables	84,869,436	38,038,004
Less: Allowance for expected credit loss (1)	<u>(9,847,305)</u>	<u>(10,961,210)</u>
Trade receivables, net	75,022,131	27,076,794
Compensation receivable from the Government of Qatar (2)	-	6,016,005
Advances made to suppliers	32,348,092	37,845,691
Receivable against project (3)	17,838,294	17,838,294
Staff receivables	4,997,226	5,237,771
Prepayments	818,042	642,759
Other receivables	<u>1,915,625</u>	<u>6,811,968</u>
	<b><u>132,939,410</u></b>	<b><u>101,469,282</u></b>
Less: Impairment loss (3)	(13,395,377)	(13,395,377)
Less: Allowance for staff receivable (4)	(4,606,756)	(4,606,756)
Less: Allowance for other receivables (5)	<u>(79,569)</u>	<u>(2,725,642)</u>
	<b><u>114,857,708</u></b>	<b><u>80,741,507</u></b>

(1) The movement of allowance for expected credit loss during the year is as follows:

	<b>31 December 2022</b>	31 December 2021
Opening balance	10,961,210	8,961,210
(Reversal)/ Provided during the year	<u>(1,113,905)</u>	<u>2,000,000</u>
Closing balance	<b><u>9,847,305</u></b>	<b><u>10,961,210</u></b>

(2) The agreement of Government Compensation is finished with effect from 1 January 2021 except for Ramadan and Eid-ul-Adha subsidy. The Government of State of Qatar compensates the Company with fixed amount of QR 700 per sheep sold during the month of Ramadan and Eid-ul-Adha to Qatari locals only. As of 31 December 2022, there was no receivable for Government compensation.

**Widam Food Company Q.P.S.C.**

**Notes to the financial statements**

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**10. TRADE AND OTHER RECEIVABLES (CONTINUED)**

Movement on Government compensations receivable during the year was as follows:

	<b>2022</b>	2021
As at 1 January	6,016,005	106,110,380
Net movement	<u>(6,016,005)</u>	<u>(100,094,375)</u>
<b>31 December</b>	<u>-</u>	<u>6,016,005</u>

The Company has provided for impairment against compensation receivable from the Government of Qatar as the contract was finished with effect from 1 January 2021. The movement in the allowance against compensation receivable from the Government of Qatar is as follows:

	<b>31 December 2022</b>	31 December 2021
Opening balance	-	13,000,000
Provided during the year	-	-
Reversed during the year	<u>-</u>	<u>(13,000,000)</u>
Closing balance	<u>-</u>	<u>-</u>

- (3) These receivables represent the cost related to the Umm – Al Ouina Project termination in prior years, due to the Company for legal cases. The company raised a legal case against the project's contractor claiming a compensation for the delay in completing the project. On 16 February 2010, the Court of Cassation issued a final judgement in favour of the Company to receive a compensation amounting to QR 15 million from the contractor. However, as at 31 December 2020, the compensation has not been received. Furthermore, the Company raised a case against the Ministry of Municipality and Environment claiming a compensation of QR 24 million for the total cost incurred on this project. The Court of Cassation issued a final judgement dated 17 October 2017 in favour of the Company to receive a compensation amounting to QR 18 million and to pay rent Commitment amounting to QR 6 million. During the year ended 31 December 2018, the Company received a compensation amounting to QR 8.5 million from the total amount due from the Ministry of Municipality and Environment. During the years ended 31 December 2020, 2021 and 2022, management has carried out a reassessment of the recoverability of the amount receivable and recorded provisions representing management's best estimate of the recoverability of this balance.

The movement in the impairment loss for the receivable against project is as follows:

	<b>31 December 2022</b>	31 December 2021
Opening balance	13,395,377	13,395,377
Provided during the year	-	-
Closing balance	<u>13,395,377</u>	<u>13,395,377</u>

- (4) An allowance amounting to QR 4,606,756 as at 31 December 2022 (2021: QR 4,606,756) was provided against the outstanding balance receivable due from the branch manager in Sudan. The Company has also won a court case enforcing the branch manager to pay back QR 2,303,378 to the Company. As at 31 December 2022, no amount is received from him.

**Widam Food Company Q.P.S.C.**

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**10. TRADE AND OTHER RECEIVABLES (CONTINUED)**

The movement in the allowance for staff receivable is as follows:

	<b>31 December 2022</b>	31 December 2021
Opening balance	4,606,756	4,606,756
Provided during the year	-	-
Closing balance	<u><b>4,606,756</b></u>	<u>4,606,756</u>

- (5) The Company has provided for impairment against the receivable from Government of State of Qatar related to the expenses incurred by the Company for holding sheep on behalf of the ministry.

The movement in the allowance for other receivable is as follows:

	<b>31 December 2022</b>	31 December 2021
Opening balance	2,725,642	2,725,642
Reversal during the year	<u>(2,646,073)</u>	-
Closing balance	<u><b>79,569</b></u>	<u>2,725,642</u>

**11. CASH AND BANK BALANCES**

	<b>31 December 2022</b>	31 December 2021
Cash in hand	1,371,047	687,758
Balance with banks – current accounts	2,678,576	10,520,629
Balance with banks – call accounts (1)	986,577	16,452,284
Term Deposits (2)	-	140,000,000
Cash cover of letter of guarantee	<u>7,765,420</u>	<u>100,000</u>
<b>Cash and bank balances presented in the statement of financial position</b>	<u><b>12,801,620</b></u>	<u>167,760,671</u>
Less: Cash cover of letter of guarantee	(7,765,420)	(100,000)
Less: Deposits with original maturity of more than three-months (2)	<u>-</u>	<u>(140,000,000)</u>
<b>Cash and bank balances as presented in the statement of cash flows</b>	<u><b>5,036,200</b></u>	<u>27,660,671</u>

(1) Call accounts earns average interest of 0.75% to 1% per annum (2021 of 0.75% to 1% per annum).

(2) Term deposits included deposits from local banks with original maturity between 9 to 12 months and carry an average interest of 1.8% to 2 % per annum (2021: 1.8% to 2%).

**12. SHARE CAPITAL**

	<b>31 December 2022</b>	31 December 2021
<i>Authorised , issued and paid up share capital</i>		
180,000,000 ordinary shares with a par value of QR 1 per share	<u><b>180,000,000</b></u>	<u>180,000,000</u>



## Widam Food Company Q.P.S.C.

### Notes to the financial statements

As at and for the year ended 31 December 2022

In Qatari Riyals

#### 13. LEGAL RESERVE

As required by Qatar Commercial Companies' Law No, 11 of 2015, 10% of the profit for the year is to be transferred to legal reserve. The Company may resolve to discontinue such annual transfers when the reserve totals 50% of the issued share capital in prior year. The reserve is not normally available for distribution to shareholders, except for circumstances stipulated for by the above law.

#### 14. FAIR VALUE RESERVE

The fair value reserve comprises of the cumulative net change in the fair value of equity securities designated at FVOCI.

#### 15. PROVISION FOR EMPLOYEES' END OF SERVICE BENEFITS

	2022	2021
As at 1 January	12,107,532	15,109,836
Provision for the year	1,973,963	2,047,775
Paid during the year	<u>(1,319,800)</u>	<u>(5,050,079)</u>
At 31 December	<u>12,761,695</u>	<u>12,107,532</u>

#### 16. TRADE AND OTHER PAYABLES

	31 December 2022	31 December 2021
Trade payables	25,758,403	41,072,925
Other accruals	10,459,305	10,945,126
Payable to Government for strategic stock	18,054,005	15,211,728
Accrual for staff benefits	5,560,887	6,747,343
Payable to ministry of municipality	1,893,654	4,133,032
Advances received from customers	180,041	103,941
Other payables	<u>28,528,931</u>	<u>20,588,841</u>
	<u>90,435,226</u>	<u>98,802,936</u>

#### 17. REVENUE

	31 December 2022	31 December 2021
Cash sales	157,361,207	221,114,327
Credit sales	<u>326,487,000</u>	<u>199,535,303</u>
	<u>483,848,207</u>	<u>420,649,630</u>
<b>Timing of revenue recognition</b>	<b>31 December 2022</b>	<b>31 December 2021</b>
Revenue recognised at a point in time	<u>483,848,207</u>	<u>420,649,630</u>
Revenue from contracts with customers	<u>483,848,207</u>	<u>420,649,630</u>

**Widam Food Company Q.P.S.C.**

**Notes to the financial statements  
As at and for the year ended 31 December 2022**

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**17. REVENUE (CONTINUED)**

The breakup of revenue by product type was as follows:

	<b>31 December 2022</b>	31December 2021
Chilled	212,079,419	219,790,753
Livestock	82,300,446	72,756,302
Slaughtered (whole)	40,631,903	29,582,261
Produced	46,692,188	33,711,047
Frozen	87,070,128	42,961,188
Slaughter and cutting services	6,354,662	6,270,319
Feeds	836,460	769,260
Miscellaneous	7,883,001	14,808,500
	<u><b>483,848,207</b></u>	<u>420,649,630</u>

The breakup of revenue by customer type was as follows:

	<b>31 December 2022</b>	31 December 2021
Individuals	169,501,905	191,241,860
Corporates	309,968,016	225,854,154
Government	4,378,286	3,553,616
	<u><b>483,848,207</b></u>	<u>420,649,630</u>

The breakup of revenue by geography was as follows:

	<b>31 December 2022</b>	31December 2021
Qatar	477,561,571	408,927,273
Sudan	6,286,636	11,722,357
	<u><b>483,848,207</b></u>	<u>420,649,630</u>

**18. COST OF SALES**

	<b>31 December 2022</b>	31December 2021
Cost of goods sold	477,363,037	420,325,187
Direct staff cost	8,033,159	7,509,966
Rent expense	5,699,032	7,686,804
Depreciation of property and equipment (Note 5)	5,395,172	4,487,599
Depreciation of right-of-use assets (Note 8)	6,716,105	6,511,495
Miscellaneous expenses	3,349,655	3,155,344
	<u><b>506,556,160</b></u>	<u>449,676,395</u>

## Widam Food Company Q.P.S.C.

### Notes to the financial statements As at and for the year ended 31 December 2022

In Qatari Riyals

#### 19. GENERAL AND ADMINISTRATIVE EXPENSES

	31 December 2022	31 December 2021
Staff cost	27,365,774	29,027,916
Depreciation of right-of-use assets (Note 8)	4,573,947	4,891,740
Insurance expense	1,983,444	1,825,301
Loss on sale of property and equipment (Note 5)	-	3,537,747
Vehicle and related costs	2,966,140	3,352,563
Staff bonus	2,200,000	2,794,000
Legal and professional expenses	2,424,810	1,668,814
Advertising expenses	1,403,289	1,912,604
Subscription fees	370,327	1,914,626
Maintenance expenses	736,735	1,183,474
Rent expense	1,586,856	1,191,485
Communication	1,070,972	1,175,271
Travelling expenses	1,174,750	518,897
Bank charges	1,746,792	694,290
Depreciation of property and equipment (Note 5)	514,086	471,951
Miscellaneous expenses	522,758	930,905
	<u>50,640,680</u>	<u>57,091,584</u>

#### 20. BASIC AND DILUTED EARNINGS PER SHARE

The basic earnings per share amounts are calculated by dividing the profit for the year by the weighted average number of ordinary shares outstanding during the year.

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

	31 December 2022	31 December 2021
Loss for the period	(61,614,853)	(66,214,706)
Weighted average number of shares outstanding during the year	<u>180,000,000</u>	<u>180,000,000</u>
<b>Basic and diluted earnings per share</b>	<u><b>(0.34)</b></u>	<u><b>(0.37)</b></u>

#### 21. RELATED PARTY TRANSACTIONS

Related parties represent associated companies, major shareholders, directors and key management personnel of the Company and companies of which they are principle owners. Pricing policies and terms of these transactions are approved by the Company's management.

Transactions with related parties during the year were as follows:

	31 December 2022	31 December 2021
Salaries and short term benefits of key management personnel	<u>2,200,000</u>	<u>2,050,000</u>
	<u><b>2,200,000</b></u>	<u><b>2,050,000</b></u>

## Widam Food Company Q.P.S.C.

### Notes to the financial statements As at and for the year ended 31 December 2022

In Qatari Riyals

#### 22. SEGMENT REPORTING

##### a) Business segments

The Company has only one significant business which is supply of Australian meat, livestock in addition to the related products and activities. All other business segments are not significant.

##### b) Geographical segments

The Company operates in the State of Qatar and Republic of Sudan through its branch. The Company's operations in the Republic of Sudan are not significant.

#### 23. DIVIDENDS DECLARED AND PAID

The Company did not declare dividends in respect of the losses for the year ended 31 December 2021.

At the Annual General Meeting on 6 April 2021, a dividend in respect of the profit for the year ended 31 December 2020 of QR 0.10 per share amounting to a total dividend of QR 18,000,000 was approved. The dividends were paid during the year ended 31 December 2021.

#### 24. CONTINGENT LIABILITIES

The Company has a significant liability in respect of letters of guarantees and letter of credits arising in the ordinary course of business, management anticipate that no material liabilities will arise.

	31 December 2022	31 December 2021
Due within one year	<u>14,700,384</u>	<u>28,226,963</u>

#### 25. FAIR VALUE MEASUREMENT

The Company's financial assets (trade and other receivables, and cash at bank) and financial liabilities (lease liabilities, and trade and other payables) are measured at amortised cost and not at fair value. Management believes that the carrying values of these financial assets and financial liabilities as at the reporting date are a reasonable approximation of their fair values.

The table below showing the Company's financial assets which are measured at fair value as at 31 December 2022 and 2021:

Assets measured at fair value	31 December 2022	Level 1	Level 2	Level 3
Equity investment – FVOCI	<u>58,208,620</u>	<u>58,208,620</u>	<u>-</u>	<u>-</u>
	31 December 2021	Level 1	Level 2	Level 3
Equity investment – FVOCI	<u>54,938,900</u>	<u>54,938,900</u>	<u>-</u>	<u>-</u>

## **Widam Food Company Q.P.S.C.**

### **Notes to the financial statements As at and for the year ended 31 December 2022**

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#### **26. COMPARATIVES FIGURES**

The Comparative figures for the previous year has been reclassified, where necessary, in order to conform to the current year's presentation. Such Reclassifications did not affect the previously reported profit, gross assets or equity.

#### **27. INCOME TAX**

The Company is exempt from income tax based on the provisions of the new Executive Regulations (ER) to Income Tax Law No. 24 of 2018. The Executive Regulations were issued by way of the Decision No. 39 of 2019 of the Council of Ministers and published in the Official Gazette on 11 December 2019.

#### **28. SUBSEQUENT EVENTS**

There were no significant events after the reporting date and there was no subsequent event which has a bearing on the understanding of these financial statements.