

**QATAR RED CRESCENT  
(QATARI VOLUNTARY CHARITABLE  
CIVIL SOCIETY)**

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**COMBINED FINANCIAL STATEMENTS AND  
INDEPENDENT AUDITOR'S REPORT  
FOR THE YEAR ENDED  
31 DECEMBER 2023**



**MOORE**

مورستيفنز وشركاه - محاسبون قانونيون  
Moore Stephens and Partners  
Certified Public Accountants

An Independent Member Firm of Moore Global Network Limited

**QATAR RED CRESCENT – (QATARI VOLUNTARY CHARITABLE CIVIL SOCIETY)**

**COMBINED FINANCIAL STATEMENTS AND INDEPENDENT AUDITOR'S REPORT  
FOR THE YEAR ENDED 31 DECEMBER 2023**

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## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors  
Qatar Red Crescent – “Qatari Voluntary Charitable Civil Society”  
Doha, State of Qatar

### Report on the Audit of the Combined Financial Statements

#### Opinion

We have audited the accompanying combined financial statements of Qatar Red Crescent – “Qatari Voluntary Charitable Civil Society” (the “Charity”), which comprise the combined statement of financial position as at 31 December 2023, and the combined statement of income and expenses and other comprehensive income, combined statement of changes in surplus or deficit and combined statement of cash flows for the year ended 31 December 2023, and notes comprising a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying combined financial statements present fairly, in all material respects, the combined financial position of the Charity as at 31 December 2023, and of its combined financial performance and its cash flows for the year ended 31 December 2023 in accordance with International Financial Reporting Standards (IFRSs).

#### Basis for Opinion

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

#### Other Matter

The combined financial statements of Qatar Red Crescent – “Qatari Voluntary Charitable Civil Society” for the year ended 31 December 2022 were audited by another auditor who expressed unmodified opinion on those statements on 26<sup>th</sup> June 2023.

#### Responsibilities of Board of Directors

Board of Directors are responsible for the preparation and fair presentation of the combined financial statements in accordance with IFRSs and applicable provisions of Qatar Charitable Activities Law, and for such internal control as management determines is necessary to enable the preparation of combined financial statements that are free from material misstatement, whether due to fraud or error.

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

Those charged with governance are responsible for overseeing the Charity's combined financial reporting process

## INDEPENDENT AUDITOR'S REPORT (CONTINUED)

### Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the combined 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 combined financial statements.

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

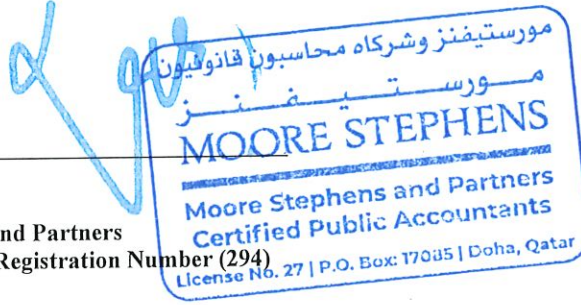
- Identify and assess the risks of material misstatement of the combined financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not 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 Charity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Charity'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 combined 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 Charity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the combined financial statements, including the disclosures, and whether the combined financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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.

**INDEPENDENT AUDITOR'S REPORT (CONTINUED)****Report on Other Legal and Regulatory Requirements**

- We are also in the opinion that proper books of account were maintained by the Charity and physical inventory verification has been duly carried out.
- We obtained all the information and explanations which we considered necessary for the purpose of our audit.
- To the best of our knowledge and belief and according to the information given to us, no contraventions of the applicable provisions of Law No. 15 of 2014 and the Charity's Articles of Associations, were committed during the period which would materially affect the Charity's combined financial position or its combined financial performance.

Fathi Abu Farah  
Partner  
Moore Stephens and Partners  
Qatari Auditors' Registration Number (294)



24 March 2024  
Doha, State of Qatar

**QATAR RED CRESCENT – (QATARI VOLUNTARY CHARITABLE CIVIL SOCIETY)**

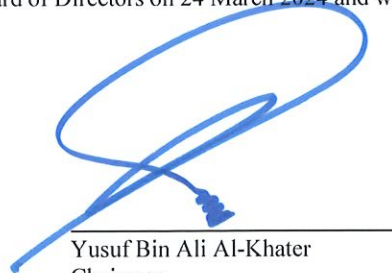
**COMBINED STATEMENT OF FINANCIAL POSITION  
AS AT 31 DECEMBER 2023**

	<i>Note</i>	2023 QR	2022 QR
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	5	29,878,953	19,574,419
Investment properties	6	115,179,171	120,705,370
Financial assets at Fair value through other comprehensive income (FVOCI)	7	96,689,548	92,461,641
<b>Total non-current assets</b>		<b>241,747,672</b>	<b>232,741,430</b>
<b>Current assets</b>			
Inventories	8	854,693	1,418,078
Account and other receivables	9	30,923,751	30,522,195
Due from related party	10	57,340	45,100
Cash and cash equivalents	11	343,592,731	270,894,744
<b>Total current assets</b>		<b>375,428,515</b>	<b>302,880,117</b>
<b>TOTAL ASSETS</b>		<b>617,176,187</b>	<b>535,621,547</b>
<b>SURPLUS AND LIABILITIES</b>			
<b>SURPLUS</b>			
Accumulated surplus		236,077,434	223,222,041
Revaluation reserve		58,810,055	58,810,055
Fair value reserve	12	20,668,152	16,440,244
<b>TOTAL SURPLUS</b>		<b>315,555,641</b>	<b>298,472,340</b>
<b>LIABILITIES</b>			
<b>Non-current liability</b>			
Provision for employees' end of service benefits	13	20,372,644	18,979,329
<b>Total non-current liability</b>		<b>20,372,644</b>	<b>18,979,329</b>
<b>Current liabilities</b>			
Restricted donations	14	265,596,212	197,691,737
Account and other payables	15	15,651,690	20,478,141
<b>Total current liabilities</b>		<b>281,247,902</b>	<b>218,169,878</b>
<b>TOTAL LIABILITIES</b>		<b>301,620,546</b>	<b>237,149,207</b>
<b>TOTAL SURPLUS AND LIABILITIES</b>		<b>617,176,187</b>	<b>535,621,547</b>

These combined financial statements were approved by the Board of Directors on 24 March 2024 and were signed on its behalf by:

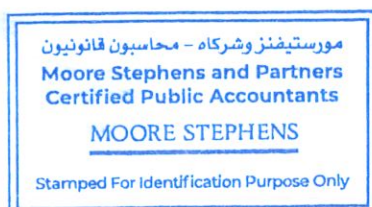


Mr. Faisal Mohamed Al Emadi  
Acting General Secretary



Yusuf Bin Ali Al-Khater  
Chairmen

The attached notes from 1 to 27 are an integral part of these combined financial statements.

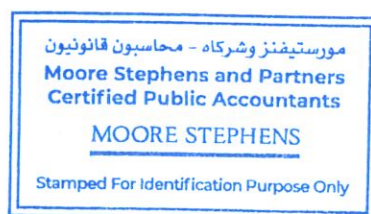


**QATAR RED CRESCENT – (QATARI VOLUNTARY CHARITABLE CIVIL SOCIETY)**

**COMBINED STATEMENT OF INCOME AND EXPENSES AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2023**

	<i>Note</i>	2023 QR	2022 QR
<b>Donations and income</b>			
Donations and aids received – Restricted	<i>16</i>	196,752,071	160,496,520
Unrestricted donations	<i>18</i>	73,157,917	45,361,656
Deposit income and state of Qatar bonds		14,086,040	8,351,593
Dividends income from quoted investments		2,118,314	1,987,503
Dividends income from unquoted investments		185,813	159,268
Service income	<i>17</i>	25,542,413	30,121,462
Rental income		13,398,000	12,845,000
Other income	<i>19</i>	1,430,168	3,685,466
<b>Total donations and income</b>		<b>326,670,736</b>	<b>263,008,468</b>
<b>Expenses</b>			
Donations and aids paid – Restricted		(196,752,071)	(160,496,520)
Depreciation of property, plant and equipment's		(4,404,391)	(3,406,937)
Depreciation of investment properties		(7,222,206)	(6,940,466)
General and administrative expenses	<i>20</i>	(80,136,528)	(86,218,778)
Other unrestricted donations	<i>21</i>	(22,839,912)	(2,181,496)
Service cost	<i>22</i>	(2,460,235)	(4,307,615)
<b>Total expenses</b>		<b>(313,815,343)</b>	<b>(263,551,812)</b>
<b>Surplus/(Deficit) for the year</b>		<b>12,855,393</b>	<b>(543,344)</b>
<b>Other comprehensive income</b>			
<i>Items that will not be reclassified to revenue and expenses</i>			
Net change in fair value of equity investments held at FVOCI		4,227,908	(17,394,049)
<b>Total other comprehensive income/(loss)for the year</b>		<b>4,227,908</b>	<b>(17,394,049)</b>
<b>Total comprehensive surplus/(deficit) for the year</b>		<b>17,083,301</b>	<b>(17,937,393)</b>

The attached notes from 1 to 27 are an integral part of these combined financial statements.



**QATAR RED CRESCENT – (QATARI VOLUNTARY CHARITABLE CIVIL SOCIETY)**

**COMBINED STATEMENT OF CHANGES IN SURPLUS OR DEFICIT FOR THE YEAR ENDED 31 DECEMBER 2023**

	Accumulated surplus QR	Fair value reserve QR	Revaluation reserve QR	Total QR
<b>2023</b>				
As at 1 January 2023	223,222,041	16,440,244	58,810,055	298,472,340
Total comprehensive (deficit)/surplus for the year:				
Net surplus for the year	12,855,393	–	–	12,855,393
Other comprehensive income	–	4,227,908	–	4,227,908
<b>As at 31 December 2023</b>	<b>236,077,434</b>	<b>20,668,152</b>	<b>58,810,055</b>	<b>315,555,641</b>
<b>2022</b>				
As at 1 January 2022	223,765,385	33,834,293	58,810,055	316,409,733
Total comprehensive (deficit)/surplus for the year:				
Net deficit for the year	(543,344)	–	–	(543,344)
Other comprehensive income	–	(17,394,049)	–	(17,394,049)
As at 31 December 2022	223,222,041	16,440,244	58,810,055	298,472,340

The attached notes from 1 to 27 are an integral part of these combined financial statements.

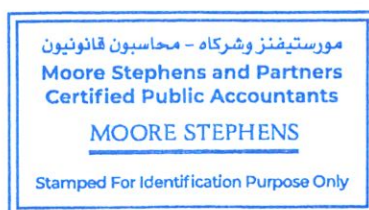


**QATAR RED CRESCENT – (QATARI VOLUNTARY CHARITABLE CIVIL SOCIETY)**

**COMBINED STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 31 DECEMBER 2023**

	<i>Note</i>	2023 QR	2022 QR
<b>OPERATING ACTIVITIES</b>			
Surplus / (deficit) for the year		12,855,393	(543,344)
Adjustments for:			
Depreciation of property, plant and equipment	5	4,404,391	3,406,937
Depreciation of investment properties	6	7,222,206	6,940,466
Provision for employees' end of service benefits	13	2,590,709	2,740,418
Provision from slow moving inventory items		–	993,290
Write off of working progress		–	119,446
Provision for impairment loss on trade receivables		–	252,484
Provision for due from Ministry of Public Health		–	105,665
Reversal of impairment loss on trade receivables		–	(6,670)
Loss from disposal of property, plant and equipment		420	12,870
Operating cash flow before working capital changes		27,073,119	14,021,562
Changes in:			
Inventories		563,385	(467,132)
Due from related party		(12,240)	1,680,689
Restricted donations		67,904,476	(88,330,029)
Account and other receivables		(401,556)	(13,698,160)
Account and other payables		(4,826,451)	6,003,473
<b>Cash generated from/ (used in) operating activities</b>		<b>90,300,733</b>	<b>(80,789,597)</b>
Employees' end of service benefits paid	13	(1,197,394)	(1,304,116)
<b>Net cash generated from / (used in) operating activities</b>		<b>89,103,339</b>	<b>(82,093,713)</b>
<b>INVESTING ACTIVITIES</b>			
Purchase of property, plant and equipment	5	(14,709,345)	(6,467,656)
Purchase of investment properties	6	(1,696,007)	(2,055,184)
Proceeds from disposals of property, plant and equipment		–	180,000
<b>Net cash used in investing activities</b>		<b>(16,405,352)</b>	<b>(8,342,840)</b>
Net increase/(decrease) in cash and cash equivalents		72,697,987	(90,436,553)
Cash and cash equivalent at 1 January		270,894,744	361,331,297
<b>Cash and cash equivalents as at the end of the year</b>	<b>11</b>	<b>343,592,731</b>	<b>270,894,744</b>

The attached notes from 1 to 27 are an integral part of these combined financial statements.



# QATAR RED CRESCENT – (QATARI VOLUNTARY CHARITABLE CIVIL SOCIETY)

## NOTES TO THE COMBINED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

### 1. General information's

Qatar Red Crescent (Qatari Voluntary Charitable Civil Society) (the "Society") was established in 1978 in accordance with the charitable society article 9 of the law number (2) for the year 1974 to establish charitable associations and based on Ministerial Decree number (2) for the year 1981 which approved its by-laws and articles of society and it is registered with the Ministry of Labor and Social Affairs under No. (1), the society is a legal personality with unlimited duration located in Doha. The society is established on the same principals and goals of Red Cross and Crescent.

These combined financial statements include assets, liabilities and results of operations General Secretariat and Medical Affairs Division, Emergency Medical Services and Training only.

### 2. Adoption of new and revised International Financial Reporting Standards (IFRSs)

#### 2.1 New standards and amendments effective in the period on or after 1 January 2023

The combined financial statements have been drawn up based on accounting standards, interpretations and amendments effective at 1 January 2023. The Charity has adopted the following new and revised Standards and Interpretations issued by International Accounting Standards Board and the International Financial Reporting Interpretations Committee, which were effective for the current accounting period:

- *Amendments to IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2 Making Materiality Judgements-Disclosure of Accounting Policies*

IAS 1 replaces all instances of the term 'significant accounting policies' with 'material accounting policy information, and it clarifies that information is material if, when considered together with other information included in an entity's financial statements, can reasonably influence decisions of primary users of financial statements

- *Amendments to IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors—Definition of Accounting Estimates*

The Charity has adopted the amendments to IAS 8 for the first time in the current year. The amendments replace the definition of a change in accounting estimates with a definition of accounting estimates. Under the new definition, accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty".

#### 2.2. New standards and amendments issued but not yet effective for years ending 31 December 2023

The Charity has not applied the below new or amended standards and interpretations that have been issued by the IASB but are not yet mandatory for the combined financial year ended 31 December 2023. The Charity has not yet assessed the impact of these new or amended Accounting Standards and Interpretations.

- *Amendments to IAS 7 & IFRS 7 Supplier Financing Arrangements*

This amendment will have no impact on the amounts recognised in the combined financial statements but will require additional disclosures to be provided around the Charity's use of supplier financing arrangements. This amendment will be effective for the 2024 combined Financial Statements.

# QATAR RED CRESCENT – (QATARI VOLUNTARY CHARITABLE CIVIL SOCIETY)

## NOTES TO THE COMBINED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

### 2. Adoption of new and revised International Financial Reporting Standards (IFRSs) (Continued)

#### 2.2. New standards and amendments issued but not yet effective for years ending 31 December 2023 (Continued)

- *Amendments to IAS 1 – Classification of Liabilities as Current or Non-current & Amendments to IAS 1 – Non-current Liabilities with Covenants*

These amendments together impact the classification of liabilities with covenants and any convertible notes that the Charity issues with liability classified conversion features. It may impact the classification of some of the Charity's debts and will require additional disclosure about the effect of the covenants on the Charity. The Charity is still currently assessing the impact of these amendments. They are effective for the 2024 Financial Statements.

- *Amendment to IFRS 16 Leases—Lease Liability in a Sale and Leaseback*

IFRS 16 adds subsequent measurement requirements for sale and leaseback transactions that satisfy the requirements in IFRS 15 to be accounted for as a sale. The amendments require the seller-lessee to determine 'lease payments' or 'revised lease payments' such that the seller-lessee does not recognise a gain or loss that relates to the right of use retained by the seller-lessee, after the commencement date. The amendments do not affect the gain or loss recognised by the seller-lessee relating to the partial or full termination of a lease.

A seller-lessee applies the amendments retrospectively in accordance with IAS 8. The amendments are effective for annual reporting periods beginning on or after 1 January 2024, earlier application is permitted.

### 3. Basis of preparation and material accounting policies

#### 3.1 Basis of preparation

##### Statement of compliance

These combined financial statements of the Charity have been prepared in accordance with IFRS issued by the International Accounting Standards Board (IASB), applicable provisions of Qatar Charitable Activities Law and the Charity's Articles of Association, and the applicable provision of the Law No. 15 of 2014.

The combined financial statements have been prepared in Qatari Riyals (QR), which is the Charity's functional and presentation currency and all combined financial information has been rounded off to the nearest QR, unless otherwise indicated.

##### Basis of measurement

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

When an asset and liability, financial or non-financial, are measured at fair value for recognition or disclosure purposes, are classified into three levels, using a fair value hierarchy that reflects the significance of the inputs used in making the measurements.

The preparation of combined financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the accounting policies selected for use by the Charity. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the combined financial statements are disclosed in relevant notes as summarized in note 4. Use of available information and application of judgement are inherent in the formation of estimates. Actual outcomes in the future could differ from such estimates.

# QATAR RED CRESCENT – (QATARI VOLUNTARY CHARITABLE CIVIL SOCIETY)

## NOTES TO THE COMBINED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

### 3. Basis of preparation and material accounting policies (Continued)

#### 3.2 Material accounting policies

The principal accounting policies that have been applied consistently by the Charity to all periods presented in these combined financial statements, are set out below.

##### Property, plant and equipment

Items of property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses except for land which is measured at fair value. Cost includes expenditures that are directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the assets to a working condition for their intended use, including the capitalised borrowing costs. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

Expenditure incurred to replace a component of an item of property, plant and equipment that is accounted for combinedly is capitalized and the carrying amount of the component that is replaced is written off. Other subsequent expenditure is capitalized only when it increases future economic benefits of the related item of property, plant and equipment. All other expenditure is recognized in the income statement as the expense is incurred.

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset is included in the income statement in the year the asset is derecognized.

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value of an asset may not be recoverable. If any such indication exists and where the carrying value of an asset exceeds the estimated recoverable amount, the asset is written down to its recoverable amount.

Depreciation is recognised in income statement on a straight-line basis over the estimated useful lives of each component of an item of property plant and equipment. Land is not depreciated. Estimated useful lives of property, plant and equipment for the current and comparative years are as follows:

Building	20 years
Motor vehicle	5 years
Tools and equipment	4-5 years
Computers	5-6 years
Furniture and fittings	6-7 years
Leasehold improvements	20 years

Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

##### Investment property

Investment property, which is property held to earn rentals and/or for capital appreciation, is stated at its fair value at the reporting date. Gains or losses arising from changes in the fair value of investment property are included in profit or loss for the period in which they arise.

An external independent valuer, having appropriate recognised professional qualifications and current experience of the location and type of property being valued, values the Charity's investment property annually. Fair values are based on market values. Market values are the estimated amount for which a property could be exchanged on the date of the valuation between a willing buyer and a willing seller in an arm's length transaction after proper marketing.

# QATAR RED CRESCENT – (QATARI VOLUNTARY CHARITABLE CIVIL SOCIETY)

## NOTES TO THE COMBINED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

### 3. Basis of preparation and material accounting policies (Continued)

#### 3.2 Material accounting policies (Continued)

##### Investment property (Continued)

Where current prices cannot be established by reference to an active market, valuations are prepared by considering the aggregate of the estimated net cash flows to be received from renting the property. A yield that recognises the specific risks inherent in the net cash flows is then applied to the net annual rental cash flows to determine the value.

Valuations reflect the type of occupier and the general perception of their likely creditworthiness, the division of related costs between landlord and tenant, the incidence of rent reviews and anticipated revised rental levels, and the remaining economic life of the property.

Building	20 years
Others	4-20 years

##### Leases

The Charity leases various offices, equipment and vehicles. Contracts may contain both lease and non-lease components. The Charity allocates the consideration in the contract to the lease and non-lease components based on their relative stand-alone prices unless it has elected not to combined lease and non-lease components and instead accounts for these as a single lease component.

Leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Charity.

Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable
- variable lease payment that are based on an index or a rate, initially measured using the index or rate as at the commencement date
- amounts expected to be payable by the Charity under residual value guarantees

the exercise price of a purchase option if the Charity is reasonably certain to exercise that option, and payments of penalties for terminating the lease, if the lease term reflects the Charity exercising that option.

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability.

The lease payments are discounted using the finance cost rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the Charity, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

are not included in the lease liability until they take effect. When adjustments to lease payments based on an index or rate take effect, the lease liability is reassessed and adjusted against the right-of-use asset.

# QATAR RED CRESCENT – (QATARI VOLUNTARY CHARITABLE CIVIL SOCIETY)

## NOTES TO THE COMBINED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

### 3. Basis of preparation and material accounting policies (Continued)

#### 3.2 Material accounting policies (Continued)

##### Leases (Continued)

Lease payments are allocated between principal and finance cost. The finance cost is charged to income and expenses over the lease period so as to produce a constant periodic rate of finance cost on the remaining balance of the liability for each period.

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability
- any lease payments made at or before the commencement date less any lease incentives received
- any initial direct costs, and
- restoration costs.

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the Charity is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life.

Payments associated with short-term leases and of low-value assets are recognised on a straight-line basis as an expense in profit or loss.

Amounts due from lessees under finance leases are recorded as receivables at the amount of the Charity's investment in the relevant leases. Income from finance leases is allocated to accounting periods so as to reflect a constant periodic rate of return on the Charity's net investment outstanding in respect of the relevant leases.

Lease income from operating leases where the Charity is a lessor is recognised in income on a straight-line basis over the lease term. Initial direct costs incurred in obtaining an operating lease are added to the carrying amount of the underlying asset and recognised as expense over the lease term on the same basis as lease income. The respective leased assets are included in the balance sheet based on their nature.

##### Impairment of non-financial assets

At each reporting date, the Charity reviews the carrying amounts of its tangible and intangible assets, to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Charity estimates the recoverable amount of the cash-generating unit to which the asset belongs.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised as an expense immediately, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease. Where an impairment loss subsequently reverses (except for goodwill), the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (cash-generating unit) in prior years. A reversal of an impairment loss is recognised as income immediately, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

##### Financial instruments - initial recognition and subsequent measurement

###### *Recognition and derecognition of financial instruments*

Financial instruments, other than derivative financial instruments, are recognised on the Charity's statement of financial position when the Charity becomes a party to the contractual provisions of the instrument.

# QATAR RED CRESCENT – (QATARI VOLUNTARY CHARITABLE CIVIL SOCIETY)

## NOTES TO THE COMBINED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

### 3. Basis of preparation and material accounting policies (Continued)

#### 3.2 Material accounting policies (Continued)

##### Financial instruments - initial recognition and subsequent measurement (Continued)

Financial assets that are regular way purchased or sold are recognised using the trade date accounting i.e. that is when the Charity commits to purchase or sell.

##### *Recognition and derecognition of financial instruments (Continued)*

Financial instruments that are not trade receivables are initially measured at fair value, which generally equates to acquisition cost, which includes transaction costs for financial instruments not subsequently measured at fair value.

Trade receivables are recognised at transaction cost if they do not contain a significant financing element (IFRS 15).

Financial assets are derecognised when:

- The contractual rights to cash flows from the financial asset expire, or
- the asset is transferred such that contractual rights to cash flows of the assets and the risks and rewards of ownership are transferred,

On de-recognition, the Charity recognised the differences between carrying amount and consideration.

In factoring arrangements and guaranteed receivables, transfer may not result in de-recognition, because the Charity retains exposure to risks and rewards to some extent. The Charity assesses its extended involvement and recognises a liability, such that the net of asset and liability represents the rights and obligations retained, measured based on the classification of the original asset.

Financial liabilities (or a part of) are derecognised when, and only when the obligation is extinguished — i.e. when the obligation specified in the contract is discharged or cancelled or expires. The gain or loss between the carrying value and amount paid is recognised in profit or loss.

If the terms of an existing financial liability (loans and borrowings) are substantially modified this will be considered to meet the criteria for derecognition of the original liability, and a new financial liability is recognised.

##### *Classification and subsequent measurement of financial assets*

Measurement of financial assets depends on the classification, which is determined by the business model for holding the asset and characteristics of its cash flows.

##### i. Amortised cost

Assets are held for the purpose of obtaining contractual cash flows, which are solely finance cost and principal, such as vanilla debt instruments, loans and receivables including contract assets. Finance cost is calculated using effective finance cost method and included in finance income in profit or loss. Impairment is presented in a combined line in profit or loss.

##### ii. Fair value through other comprehensive income (FVOCI)

If in addition to above, if the business model also includes selling the assets, then these assets are measured at fair value with changes in FVOCI. Finance cost income is calculated and presented as above. Impairment is included in profit or loss and reduces/ increases the fair value gain/ loss recognised in OCI reserve.

On derecognition, gains and losses are recycled to income and expenses and included in other gains/ losses.

# QATAR RED CRESCENT – (QATARI VOLUNTARY CHARITABLE CIVIL SOCIETY)

## NOTES TO THE COMBINED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

### 3. Basis of preparation and material accounting policies (Continued)

#### 3.2 Material accounting policies (Continued)

##### Financial instruments - initial recognition and subsequent measurement (Continued)

###### *Classification and subsequent measurement of financial assets (Continued)*

#### iii. Fair value through income and expenses (FVTPL)

Assets that do not meet the criteria above are measured as FVTPL with changes in fair value presented in other gains/ losses.

For equity investments that the Charity considers to be long term strategic investments, the Charity has taken the election in IFRS 9 to present the changes in FVOCI. Unlike ii) above however, on sale of investments, the cumulative OCI gain/ loss will be transferred within equity and will not be recycled through income and expenses.

Dividends are recognised as other income when there is a right to receive payment.

###### *Classification and measurement of financial liabilities*

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangement.

#### i. Financial liabilities

Financial liabilities are classified as either financial liabilities at FVTPL or other financial liabilities, which are measured at amortised cost. Financial liabilities are classified at FVTPL if they are either held for trading or they are otherwise designated within this classification. Gains and losses on such financial liabilities are recognised within other gains and losses in the statement of comprehensive income.

A financial liability is classified as held for trading if (a) it has been acquired principally for the purposes of subsequent short-term repurchase; (b) on initial recognition it is part of a portfolio of identified financial instruments which have a pattern of short-term profit taking; or (c) it is a derivative financial instrument that is not designated and effective as a hedging instrument.

#### ii. Financial liabilities

A financial liability may otherwise be designated at FVTPL upon initial recognition if such designation eliminates or reduces significantly a measurement or recognition inconsistency that would otherwise arise; or (b) the financial liability forms part of a Charity of financial assets, financial liabilities or both, which is managed and its performance evaluated on a fair value basis as a part of the Charity's documented risk management and investment strategies; and (c) it forms part of a contract containing one or more embedded derivatives and the entire contract can be so designated in accordance with applicable financial reporting standards.

Other financial liabilities are initially measured at fair value, net of transaction costs, and are subsequently measured at amortised cost using the effective finance cost method, with finance cost expense recognised on an effective yield basis, within finance costs in the statement of comprehensive income.

The Charity derecognises financial liabilities when the obligations of the Charity are discharged, cancelled or have expired.

# QATAR RED CRESCENT – (QATARI VOLUNTARY CHARITABLE CIVIL SOCIETY)

## NOTES TO THE COMBINED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

### 3. Basis of preparation and material accounting policies (Continued)

#### 3.2 Material accounting policies (Continued)

##### Financial instruments - initial recognition and subsequent measurement (Continued)

###### *Classification and measurement of financial liabilities*

###### ii. Embedded derivatives

Derivatives embedded in other financial instruments or non-derivative host contracts are treated as combined derivatives when their risks and characteristics are not closely related to those of host contracts and the host contracts are not measured at FVTPL.

However financial liabilities which contain multiple embedded derivatives are not combined and are treated as FVTPL.

Compound financial instruments issued by the Charity comprise convertible loan notes that can be converted to share capital at the option of the holder, and the number of shares to be issued does not vary with changes in their fair value.

The liability component of a compound financial instrument is recognised initially at the fair value of a similar liability that does not have an equity conversion option. The equity component is recognised initially at the difference between the fair value of the compound financial instrument as a whole and the fair value of the liability component. Any directly attributable transaction costs are allocated to the liability and equity components in proportion to their initial carrying amounts.

Subsequent to initial recognition, the liability component of a compound financial instrument is measured at amortised cost using the effective finance cost method. The equity component of a compound financial instrument is not re-measured subsequent to initial recognition except on conversion or expiry.

The finance cost expense on the liability component is calculated by applying the effective finance cost method. This is obtained by calculating the present value of future cash flows at a market rate for a loan without the convertible component. The difference between the effective finance cost rate and the finance cost paid is added to the carrying amount of the convertible loan note.

Finance cost, dividends, losses and gains relating to the financial liability are recognised in income and expenses. Distributions to the equity holders are recognised in equity, net of attributable taxation.

###### *Offsetting financial instruments*

Financial assets and financial liabilities are offset and the net amount reported in the statement of financial position only when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, or realise the asset and settle the liability simultaneously.

Currently the Charity does not offset financial assets and financial liabilities. The only relevant arrangement the Charity is subject to is a master netting arrangement.

## QATAR RED CRESCENT – (QATARI VOLUNTARY CHARITABLE CIVIL SOCIETY)

### NOTES TO THE COMBINED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

#### 3. Basis of preparation and material accounting policies (Continued)

##### 3.2 Material accounting policies (Continued)

###### Impairment

###### *Impairment of financial assets*

The Charity recognizes loss allowances for Expected Credit Losses (ECLs) on financial assets measured at amortized cost.

Loss allowances for trade, retention and other receivables are always measured at an amount equal to lifetime ECLs.

The Charity considers a financial asset to be in default when:

- Customer is unlikely to pay its credit obligations to the Charity in full, without recourse by the Charity to actions such as realizing security (if any is held); or
- The financial asset is more than 360 days past due.

The Charity considers bank balances to have low credit risk when its credit risk rating is equivalent to the globally understood definition of 'investment grade'.

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

12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after 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 Charity 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 Charity expects to receive). ECLs are discounted at the effective finance cost rate of the financial asset.

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

At each reporting date, the Charity assesses whether financial assets carried at amortized 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 customer or issuer;
- a breach of contract such as a default or being more than 360 days past due;
- the restructuring of a loan in advance by the Charity on terms that the Charity would not consider otherwise;
- it is probable that the customer will enter bankruptcy or other financial reorganization; or
- the disappearance of an active market for a security because of financial difficulties.

# QATAR RED CRESCENT – (QATARI VOLUNTARY CHARITABLE CIVIL SOCIETY)

## NOTES TO THE COMBINED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

### 3. Basis of preparation and material accounting policies (Continued)

#### 3.2 Material accounting policies (Continued)

##### **Impairment (Continued)**

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

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

Impairment losses related to financial assets are presented under net impairment (loss) / reversal on financial assets in the income statement.

###### *Write-off*

The gross carrying amount of a financial asset is written off when the Charity has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. The Charity individually makes an assessment with respect to the timing and amount of write-off based on whether there is a reasonable expectation of 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 Charity's procedures for recovery of amounts due.

##### **Inventories**

Inventories are stated at the lower of cost and net realizable value. Cost comprises direct materials and, where applicable, direct labor costs and those overheads that have been incurred in bringing the inventories to their present location and condition, excluding borrowing costs. Cost of the inventory is determined by the weighted average cost methods and includes invoiced cost and other expenditures incurred in bringing the inventories to their present location and condition. Net realizable value represents the estimated selling price less all estimated costs of completion and costs to be incurred in marketing, selling and distribution. Costs of inventories include the transfer from equity of any gains/losses on qualifying cash flow hedges relating to purchases of raw materials

##### **Cash and cash equivalents**

Cash and cash equivalents include notes and coins on hand, unrestricted balances held with banks and highly liquid financial assets with original maturities of three months or less that are subject to an insignificant risk of change in their fair value, and are used by the Charity in the management of its short-term commitments. Cash and cash equivalents are carried at amortised cost in the statement of combined financial position.

##### **Accumulated surplus**

Accumulated surplus includes all accumulated surplus of the Charity.

##### **Employees' end of service benefits**

The end of service benefits to its employees is in accordance with Qatar Labor Law No. 14 of 2004. The entitlement to these benefits is based upon the employees' final salary and length of service. The expected costs of these benefits are accrued over the period of employment.

Under Law No. 24 of 2002 on Retirement and Pension, the Charity is required to make contributions to a government fund scheme for Qatari employees calculated as a percentage of the Qatari employees' salaries. The Charity's obligations are limited to these contributions, which are expensed when due.

However, the charity policy is to pay the end of service benefits at the end of year.

# QATAR RED CRESCENT – (QATARI VOLUNTARY CHARITABLE CIVIL SOCIETY)

## NOTES TO THE COMBINED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

### 3. Basis of preparation and material accounting policies (Continued)

#### 3.2 Material accounting policies (Continued)

##### **Provision**

Provisions are recognised when the Charity has a present obligation (legal or constructive) as a result of a past event, it is probable that the Charity will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the statement of combined financial position date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

##### **Fair value measurements**

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. When measuring fair value of an asset or liability, the Charity takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

The fair value measurements are categorized into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurements in its entirety, which are described as follows:

Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.

Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3 inputs are unobservable inputs for the asset or liability.

##### **Donations and income**

###### *Unrestricted donations:*

- Revenues are realized from cash donation upon receipt.
- Revenues are realized from in kind donations upon receipt as per the estimated value for the same.
- Revenues are realized from the deposits and investments on accrual basis

###### *Restricted donations:*

Restricted donations are the donations that received from other parties which must be used by the Society in the purposes and objectives to which the donation was made. These donations are presented as “restricted donations” in the combined statement of financial position upon receipt or the establishment of a right to receive the same.

The Society deduct percentage of the restricted donations against managerial and other expenses incurred by the society. This percentage of deductions varies according to the contract concluded between the Society and the donator.

The deducted amount is presented in the combined statement of income and expenses and other comprehensive income as “unrestricted donations” under “donations and income”.

# **QATAR RED CRESCENT – (QATARI VOLUNTARY CHARITABLE CIVIL SOCIETY)**

## **NOTES TO THE COMBINED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023**

### **3. Basis of preparation and material accounting policies (Continued)**

#### **3.2 Material accounting policies (Continued)**

##### **Donation and income (Continued)**

When the restricted donations are spent according to the specified purposes, the donations and expenses shall be included in the combined statement of income and expenses and other comprehensive income as “Donations and aids received – Restricted” under Donations and income.

##### **Grants**

The Society recognizes grants income when there is reasonable assurance that the charity will comply with all material conditions. Grants income is recognized in the period in which the related expenses are incurred. If the grant is intended to reimburse specific expenses, it is recognized when the expenses are incurred, provided that all conditions for recognition have been met.

##### **Dividend and interest income**

Dividends from investments are recognised when the shareholder's right to receive payment has been established.

Interest is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount.

##### **Rental income**

Rental income from investment property is recognised as revenue on a straight-line basis over the term of the lease. Lease incentives granted are recognised as an integral part of the total rental income, over the term of the lease. Rental income from other property is recognised as other income.

##### **Other revenues**

Other income is recognized when earned, and on the accrual basis.

##### **Cost and expense recognition**

Costs and expenses are recognized in the statement of income and expenses and other comprehensive income upon delivery of goods and performance of service at the date when incurred.

Expenses are also recognized in the statement of income and expenses and other comprehensive income when decrease in future economic benefit related to a decrease in an asset or an increase in a liability that can be measured reliably has arisen. Expenses are recognized in the statement of income and expenses and other comprehensive income on the basis of a direct association between costs incurred and the earning of specific items of income; on the basis of systematic and rational allocation procedures when economic benefits are expected to arise over several accounting periods and the association can only be broadly or indirectly determined; or immediately 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 combined financial position as an asset

##### **Foreign currency transactions**

Transactions in foreign currencies are recorded in Qatari Riyals (QR) at the rates of exchange prevailing on the dates of the transactions. At each reporting date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting date. Non-monetary assets and liabilities carried at fair value that are denominated in foreign currencies are translated at the rates prevailing at the date when the fair value was determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of gain or loss on change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognized in other comprehensive income or income and expenses are also recognized in other comprehensive income or income and expenses, respectively).

# QATAR RED CRESCENT – (QATARI VOLUNTARY CHARITABLE CIVIL SOCIETY)

## NOTES TO THE COMBINED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

### 3. Basis of preparation and material accounting policies (Continued)

#### 3.2 Material accounting policies (Continued)

##### **Events after the reporting date**

Post year-end events that provide additional information about the Charity's combined financial position at reporting date (adjusting events) are reflected in the combined financial statements. Post year-end events that are not adjusting events are disclosed in the notes to the combined financial statements when material.

#### 4. Critical accounting estimates and judgements

In preparing the combined financial statements, management is required to make estimates and assumptions which affect reported income, expenses, assets, liabilities and disclosure of contingent assets and liabilities. Use of available information and application of judgement are inherent in the formation of estimates, together with past experience and expectations of future events that are believed to be reasonable under the circumstances. Actual results in the future could differ from such estimates.

Certain areas of combined financial statements require management to make judgements and estimates in application of accounting policies and measurement of reported amounts. These are continuously monitored for any factors that would lead to a change in assumption or lead to a different decision. Any changes in estimates are accounted for prospectively.

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are noted below with reference to relevant notes containing further assessment of the nature and impact of the assumptions.

In the process of applying the Charity's accounting policies, management has made the following estimates judgments, apart from those involving estimations, which have the most significant effect on the amounts recognised in the separate financial statements:

##### ***Satisfaction of performance obligation***

The Charity is required to assess each of its contracts with customers to determine whether performance obligations are satisfied over time or at a point in time in order to determine appropriate method of recognising revenue. The Charity has assessed that based on the contract, the Charity does not create an asset with an alternative use to the Charity, the customer simultaneously receives and consumes the benefits provided by the Charity's performance as the Charity perform and usually has an enforceable right to payment for performance completed to date. In these circumstances the Charity recognises revenue over time and in other cases, revenue is recognised at a point in time.

##### ***Business model assessment***

Classification and measurement of financial assets depends on the results of the SPPI and the business model test. The Charity determines the business model at a level that reflects how Groups of financial assets are managed together to achieve a particular business objective. This assessment includes judgement reflecting all relevant evidence including how the performance of the assets is evaluated and their performance measured, the risks that affect the performance of the assets and how these are managed and how the managers of the assets are compensated. The Charity monitors financial assets measured at amortised cost or FVOCI that are derecognised prior to their maturity to understand the reason for their disposal and whether the reasons are consistent with the objective of the business for which the asset was held. Monitoring is part of the Charity's continuous assessment of whether the business model for which the remaining financial assets are held continues to be appropriate and if it is not appropriate whether there has been a change in business model and so a prospective change to the classification of those assets.

**QATAR RED CRESCENT – (QATARI VOLUNTARY CHARITABLE  
CIVIL SOCIETY)**

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**NOTES TO THE COMBINED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2023**

**4. Critical accounting estimates and judgements (Continued)**

*Determining the lease term*

In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated).

The lease term is reassessed if an option is actually exercised (or not exercised) or the Charity becomes obliged to exercise (or not exercise) it. The assessment of reasonable certainty is only revised if a significant event or a significant change in circumstances occurs, which affects this assessment, and that is within the control of the lessee. During the current financial year, there has been no revision in the lease terms.

*Useful lives of property, plant and equipment*

The Charity's management determines the estimated useful lives of its property, plant and equipment for calculating depreciation. This estimate is determined after considering the expected usage of the asset or physical wear and tear. Management reviews the residual value and useful lives annually and future depreciation charge would be adjusted where the management believes the useful lives differ from previous estimates.

**QATAR RED CRESCENT – (QATARI VOLUNTARY CHARITABLE CIVIL SOCIETY)**

**NOTES TO THE COMBINED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2023**

**5. Property, plant and equipment**

2023	Building QR	Motor Vehicles QR	Machinery and equipment QR	Computers QR	Furniture & fittings QR	Leasehold Improvements QR	Work in progress QR	Total QR
<i>Cost</i>								
As at 1 January 2023	5,361,365	8,669,472	14,853,422	13,749,893	4,667,331	5,569,103	4,817,841	57,688,427
Additions during the year	-	7,476,150	1,276,168	621,680	272,893	500,953	4,561,501	14,709,345
Transfer during the year	-	-	-	355,000	-	-	(355,000)	-
Disposal during the year	-	-	(2,250)	-	-	-	-	(2,250)
<b>As at 31 December 2023</b>	<b>5,361,365</b>	<b>16,145,622</b>	<b>16,127,340</b>	<b>14,726,573</b>	<b>4,940,224</b>	<b>6,070,056</b>	<b>9,024,342</b>	<b>72,395,522</b>
<i>Accumulated depreciation</i>								
As at 1 January 2023	2,924,017	7,586,590	9,896,016	11,346,799	3,989,540	2,371,046	-	38,114,008
Charge for the year	267,216	1,025,889	1,596,898	804,158	243,519	466,711	-	4,404,391
Disposal during the year	-	-	(1,830)	-	-	-	-	(1,830)
<b>As at 31 December 2023</b>	<b>3,191,233</b>	<b>8,612,479</b>	<b>11,491,084</b>	<b>12,150,957</b>	<b>4,233,059</b>	<b>2,837,757</b>	<b>-</b>	<b>42,516,569</b>
<i>Net book value</i>								
<b>As at 31 December 2023</b>	<b>2,170,132</b>	<b>7,533,143</b>	<b>4,636,256</b>	<b>2,575,616</b>	<b>707,165</b>	<b>3,232,299</b>	<b>9,024,342</b>	<b>29,878,953</b>
2022								
<i>Cost</i>								
As at 1 January 2022	5,299,365	7,938,680	11,183,499	12,823,820	4,214,357	5,463,997	4,685,199	51,608,917
Additions during the year	62,000	996,792	3,672,623	403,273	452,974	105,106	774,888	6,467,656
Disposals during the year	-	(266,000)	(2,700)	-	-	-	(119,446)	(388,146)
Transferred during the year	-	-	-	522,800	-	-	(522,800)	-
<b>As at 31 December 2022</b>	<b>5,361,365</b>	<b>8,669,472</b>	<b>14,853,422</b>	<b>13,749,893</b>	<b>4,667,331</b>	<b>5,569,103</b>	<b>4,817,841</b>	<b>57,688,427</b>
<i>Accumulated depreciation</i>								
As at 1 January 2022	2,659,240	7,221,011	8,723,535	10,660,176	3,610,460	1,908,479	-	34,782,901
Charge for the year	264,777	438,710	1,175,180	686,623	379,080	462,567	-	3,406,937
Disposals during the year	-	(73,131)	(2,699)	-	-	-	-	(75,830)
<b>As at 31 December 2022</b>	<b>2,924,017</b>	<b>7,586,590</b>	<b>9,896,016</b>	<b>11,346,799</b>	<b>3,989,540</b>	<b>2,371,046</b>	<b>4,817,841</b>	<b>38,114,008</b>
<i>Net book value</i>								
<b>As at 31 December 2022</b>	<b>2,437,348</b>	<b>1,082,882</b>	<b>4,957,406</b>	<b>2,403,094</b>	<b>677,791</b>	<b>3,198,057</b>	<b>4,817,841</b>	<b>19,574,419</b>

**QATAR RED CRESCENT – (QATARI VOLUNTARY CHARITABLE CIVIL SOCIETY)**

**NOTES TO THE COMBINED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2023**

**6. Investment properties**

<b>2023</b>	<b>Land QR</b>	<b>Building QR</b>	<b>Others QR</b>	<b>2022 QR</b>
<i>Cost</i>				
As at 1 January 2023	64,645,350	129,102,716	10,882,339	204,630,405
Additions during the year	–	1,696,007	–	1,696,007
<b>As at 31 December 2023</b>	<b>64,645,350</b>	<b>130,798,723</b>	<b>10,882,339</b>	<b>206,326,412</b>
<i>Amortization</i>				
As at 1 January 2023	–	74,412,822	9,512,213	83,925,035
Charge during the year	–	5,852,080	1,370,126	7,222,206
<b>As at 31 December 2023</b>	<b>–</b>	<b>80,264,902</b>	<b>10,882,339</b>	<b>91,147,241</b>
<i>Net book value</i>				
<b>As at 31 December 2023</b>	<b>64,645,350</b>	<b>50,533,821</b>	<b>–</b>	<b>115,179,171</b>
<b>2022</b>				
<i>Cost</i>				
As at 1 January 2022	64,645,350	127,602,716	10,327,155	202,575,221
Additions during the year	–	1,500,000	555,184	2,055,184
<b>As at 31 December 2022</b>	<b>64,645,350</b>	<b>129,102,716</b>	<b>10,882,339</b>	<b>204,630,405</b>
<i>Amortization</i>				
As at 1 January 2022	–	68,011,436	8,973,133	76,984,569
Charge during the year	–	6,401,386	539,080	6,940,466
<b>As at 31 December 2022</b>	<b>–</b>	<b>74,412,822</b>	<b>9,512,213</b>	<b>83,925,035</b>
<i>Net book value</i>				
<b>As at 31 December 2022</b>	<b>64,645,350</b>	<b>54,689,894</b>	<b>1,370,126</b>	<b>120,705,370</b>

- Investment properties represents land and residential complex located in Ain Khaled area in Doha.
- Investment properties include a building constructed on land leased from the Government of Qatar located in industrial area.
- The Charity recognized rental income during the year ended December 31, 2023 amounting to QR. 13,398,000 (2022: QR.12,845,000) at; recognized in the statement of revenue, expenses and other comprehensive income.
- Fair value for the investment properties (land & buildings) is valued at QR. 214,961,800 as per the last valuation report received by the management for the year ended December 31, 2023, (2021: QR. 194,909,544).
- Other investment property are an integral part of the buildings and include furniture, equipment, air conditioning and others.

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**7. Financial assets at Fair value through other comprehensive income (FVOCI)**

	<i>Note</i>	2023 QR	2022 QR
Quoted investments	<i>(a)</i>	54,887,068	50,411,456
Unquoted investments	<i>(b)</i>	41,802,480	42,050,185
		<b>96,689,548</b>	<b>92,461,641</b>

	2023		2022	
	No of shares	Fair value QR	No of shares	Fair value QR
<b><i>Investments</i></b>				
Commercial Bank	4,307,820	26,708,484	4,307,820	21,539,100
Qatar industries	376,090	4,919,257	376,090	4,817,713
Electricity and water	330,000	6,204,000	330,000	5,841,000
Qatar Islamic Bank	295,950	6,362,925	295,950	5,492,832
QLM Insurance	799,697	1,998,443	799,697	3,837,746
Milaha	358,320	3,475,704	358,320	3,636,948
QIMC	585,070	1,755,210	585,070	1,878,075
Qatar German Medical supplies	420,000	609,420	420,000	527,940
QIIB	135,000	1,443,150	135,000	1,404,000
Barwa real estate Company	325,860	943,039	325,860	936,195
Qatar investors Group	200,080	328,731	200,080	337,335
United development Company	89,000	94,785	89,000	115,700
Doha Bank	24,000	43,920	24,000	46,872
<b>As at 31 December</b>	<b>8,246,887</b>	<b>54,887,068</b>	<b>8,246,887</b>	<b>50,411,456</b>

	2023 QR	2022 QR
(b) Unquoted investments		
Debt instruments at FVTOCI ( <i>Note i</i> )	34,909,337	35,157,042
Equity instruments at FVTOCI (Al Jazeera Finance Q.P.S.C) ( <i>Note ii</i> )	6,893,143	6,893,143
	<b>41,802,480</b>	<b>42,050,185</b>

i) Debt instruments at fair value through other comprehensive income

Debt instruments at fair value through other comprehensive income represent bonds with the government of the State of Qatar for a period of 30 years, with an interest rate of 9.75% and 5.10% annually. These bonds are due in 2030 and 2048, respectively. The management intends to sell these investments if profits are made from this bond.

ii) Equity instruments at fair value through other comprehensive income (Al Jazeera Finance Company Q.P.S.C)

This item represents the investment in (equity instruments at fair value through other comprehensive income - unlisted investments) in Al Jazeera Finance Company (Q.P.S.C), which is licensed as a financial institution operating in the field of financial services. The society owns 0.83% of the company's capital, which is equivalent to 530,893 shares. Upon initial application of IFRS 9 (Financial Instruments), the Society irrevocably elected to recognize the equity instruments (Al Jazeera Finance Company Q.P.S.C.) at fair value through other comprehensive income.

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**7. Financial assets at Fair value through other comprehensive income (FVOCI) (Continued)**

The movement in investment during the year are as follows:

	2023 QR	2022 QR
At 1 January	92,461,641	109,855,690
Net movement in equity investments in FVTOCI (Quoted)	4,475,611	(8,196,021)
Net movement in debt instruments at FVTOCI (Unquoted)	(247,704)	(9,253,208)
Net movement in equity investments in FVTOCI (Unquoted)	–	55,180
<b>As at 31 December</b>	<b>96,689,548</b>	<b>92,461,641</b>

**8. Inventories**

	2023 QR	2022 QR
Inventories	854,693	2,411,368
Provision for slow moving items	–	(993,290)
	<b>854,693</b>	<b>1,418,078</b>

**9. Account and other receivables**

	2023 QR	2022 QR
Account receivables	14,017,935	10,310,700
Accrued income	4,787,067	3,255,434
Supplier advances	16,549,285	18,981,911
Staff advance	1,775,038	1,667,017
Due from Ministry of Public health	105,665	105,665
Other debit balances	1,245,943	3,234,071
Less: provision for account receivables & other debit balances	(4,507,544)	(3,982,965)
Less: provision for accrued income	(2,475,000)	(2,475,000)
Less: provision for supplier advances	(468,973)	(468,973)
Less: provision for due from Ministry of Public health	(105,665)	(105,665)
	<b>30,923,751</b>	<b>30,522,195</b>

The movement in the allowance for impaired trade accounts receivable during the year is as follows:

	2023 QR	2022 QR
As at 1 January	3,982,965	3,737,151
Provision made during the year	561,965	252,484
Reversal made during the year	(55,677)	(6,670)
Reclassification	18,291	–
<b>As at 31 December</b>	<b>4,507,544</b>	<b>3,982,965</b>

**QATAR RED CRESCENT – (QATARI VOLUNTARY CHARITABLE CIVIL SOCIETY)**

**NOTES TO THE COMBINED FINANCIAL STATEMENTS  
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**10. Related parties**

In the normal course of its business, the Charity enters into transactions with the parties who fall under the definition of a related party as per IAS 24 “Related party disclosures”. These represent transaction with related parties, i.e. directors, and senior management of the Charity. Pricing policies and terms of these transactions are approved by the Charity’s management.

<b>a) Due from related party</b>	<b>2023</b>	<b>2022</b>
	<b>QR</b>	<b>QR</b>
Medical affairs division, Workers Health Centers	<u>57,340</u>	<u>45,100</u>

**b) Transactions with related parties**

Name of the related party	Nature of the transaction	<b>2023</b>	<b>2022</b>
		<b>QR</b>	<b>QR</b>
Medical affairs division,	Unrestricted donations	27,612,796	27,099,180
Emergency medical services and	Restricted - donations and aid	96,120	42,290
training and training	Other unrestricted donations	3,159	3,159

**11. Cash and cash equivalents**

	<b>2023</b>	<b>2022</b>
	<b>QR</b>	<b>QR</b>
Cash in hand	1,482,927	675,212
Term deposits*	225,000,000	195,000,000
Current and call accounts	115,478,108	74,343,154
Restricted cash accounts	1,631,696	876,378
<b>Cash and cash equivalents</b>	<u>343,592,731</u>	<u>270,894,744</u>

\*Short term deposits mature within 90 days and carry profit rate between 2.5% to 6.25% during the year ended 31 December 2023. (2022: 1.25% to 5.5%).

**12. Fair value reserve**

The fair value reserve comprises the cumulative net change in the fair value of financial investments at fair value through other comprehensive income until the assets are derecognized or impaired.

Movement in the fair value for investment through other comprehensive income:

	<b>2023</b>	<b>2022</b>
	<b>QR</b>	<b>QR</b>
As at 1 January	16,440,244	33,834,293
Share of net change in fair value of equity instruments at FVOCI (Quoted)	4,475,612	(8,196,021)
Share of net change in debt instruments at FVOCI	(247,704)	(9,253,208)
Share of net change in fair value of equity instruments at FVOCI (Unquoted)	–	55,180
<b>As at 31 December</b>	<u>20,668,152</u>	<u>16,440,244</u>

**QATAR RED CRESCENT – (QATARI VOLUNTARY CHARITABLE CIVIL SOCIETY)**

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13. Provision for employees' end of service benefits	2023 QR	2022 QR
As at 1 January	18,979,329	17,543,027
Provided during the year	2,590,709	2,740,418
Paid during the year	(1,197,394)	(1,304,116)
<b>As at 31 December</b>	<b>20,372,644</b>	<b>18,979,329</b>

14. Restricted donations	2023 QR	2022 QR
Syria	82,413,089	44,710,714
Palestine	57,532,860	649,344
Sudan	34,246,545	39,905,720
Other project and general donations	20,084,359	13,427,455
Somalia	14,420,927	22,639,903
Qatar	14,521,939	15,861,050
Libya	8,289,434	2,884,893
Philippines	8,447,601	8,869,382
Mauritania	6,717,303	8,859,012
Morocco	5,802,911	-
Jordan surplus/(deficit)	3,491,240	(1,121,038)
Bangladesh	3,306,460	4,677,744
Egypt	3,300,995	3,300,995
Sri Lanka	2,337,240	2,336,035
Pakistan	2,746,752	2,741,587
Central Africa Republic	1,154,493	1,154,493
Nepal	1,140,734	1,190,531
Afghanistan	1,057,757	8,279,065
Indonesia	1,027,404	1,027,404
Myanmar	750,257	7,937,587
Yemen	634,020	9,765,988
Kashmir	540,270	540,270
South Sudan	453,718	453,718
Ethiopia	214,014	233,184
Mali	25,153	2,634,281
India(deficit)	(3,406,575)	(3,406,575)
Lebanon (deficit)	(3,276,966)	(1,197,585)
Other countries deficit) /surplus	(1,688,336)	433,296
Iraq (deficit)	(634,403)	(2,970,844)
Niger deficit) /surplus	(36,387)	1,892,724
Iran (deficit)	(18,596)	(18,596)
	<b>265,596,212</b>	<b>197,691,737</b>

Restricted donations represent the donation received for specific purposes inside and outside state of Qatar which is specified by the donor.

**QATAR RED CRESCENT – (QATARI VOLUNTARY CHARITABLE CIVIL SOCIETY)**

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15. Accounts and other payables	2023 QR	2022 QR
Accounts payable	7,405,106	12,331,235
Accrued expenses	3,401,778	3,070,587
Provision for leave salaries	2,089,602	2,387,265
Deferred revenue	1,533,946	1,364,270
Deposits	355,000	355,000
Advance from customers	240,729	108,847
Notes payable	538,921	274,049
Staff payable	38,104	34,946
Retention payable to work in progress	–	546,616
Other	48,504	5,326
	<b>15,651,690</b>	<b>20,478,141</b>
<hr/>		
16. Restricted donations	2023 QR	2022 QR
Syria	66,814,288	17,753,466
Yemen	40,331,287	33,801,692
Domestic restricted donations	17,551,932	25,125,163
Palestine	14,589,200	14,482,126
Somalia	10,458,509	3,597,204
Sudan	8,260,249	5,759,943
Bangladesh	7,847,994	4,444,878
Mauritania	7,412,780	11,890
Jordan	4,793,697	4,211,081
Afghanistan	4,791,076	4,862,141
Qatar	3,210,618	3,695,353
Iraq	2,972,918	3,697,083
Lebanon	1,768,961	32,422,130
Other countries	1,648,894	1,987,527
Niger	1,625,042	144,926
Mali	1,567,835	1,580,817
Pakistan	590,732	34,628
Sri Lanka	122,027	425,393
Nepal	81,576	–
Ethiopia	79,749	37,161
Philippines	31,785	554,256
Morocco	23,338	–
Myanmar	113	1,822,500
India	–	45,162
Libya	177,471	–
	<b>196,752,071</b>	<b>160,496,520</b>
<hr/>		
17. Services income	2023 QR	2022 QR
Activities income	16,574,600	21,890,068
Subscription income	7,100,728	6,870,329
Training income	1,867,085	1,361,065
	<b>25,542,413</b>	<b>30,121,462</b>

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18. Unrestricted donations	2023 QR	2022 QR
Society's share in Division operation	25,495,239	24,082,665
Society's share in restricted donation received	25,611,943	16,175,806
Non-monetary donations	21,430,735	4,603,185
Cash donations	620,000	500,000
	<b>73,157,917</b>	<b>45,361,656</b>
<hr/>		
19. Other income	2023 QR	2022 QR
Amortization of deferred revenue	236,322	236,235
Member subscription revenue	41,000	46,000
Arab cup championship income	–	2,770,370
Reversal of impairment loss on trade receivables	–	6,670
Miscellaneous income	1,152,846	626,191
	<b>1,430,168</b>	<b>3,685,466</b>
<hr/>		
20. General and administrative expenses	2023 QR	2022 QR
Salaries and other related cost	54,577,822	59,490,837
Leave salaries	4,121,936	3,273,484
Advertisement expenses	3,676,331	3,817,788
Provision for end of service benefits	2,590,709	2,740,418
Membership fees	2,562,193	1,411,999
Insurance	2,286,172	1,628,040
Medical expenses	1,751,303	27,302
Consulting fees	1,695,397	1,405,752
Hospitality	1,246,393	815,737
Bank charges	1,091,853	737,842
Communication	794,270	535,809
Repair and maintenance	717,471	628,975
Official mission	675,468	949,214
Impairment loss on trade receivables	561,965	252,484
Fuel and oil	418,262	475,162
Publications	213,785	153,200
Government expenses	157,995	129,104
Uniforms	190,344	433,136
Utilities	82,031	84,858
Professional fees	60,000	–
Short term leases	49,324	98,066
Foreign exchange loss	12,925	649,061
Loss of disposals of property, plant and equipment	420	12,870
Investment properties expenses	–	3,448,258
Provision for slow moving inventories	–	993,290
Write off of work in progress	–	119,446
Business support	–	641,803
Provision for ministry of health care	–	105,665
Miscellaneous	602,159	1,159,178
	<b>80,136,528</b>	<b>86,218,778</b>

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<b>21. Other unrestricted donation expenses</b>		
	<b>2023</b>	<b>2022</b>
	<b>QR</b>	<b>QR</b>
Non-monetary donations	22,816,406	2,147,710
Other donation expenses	23,506	33,786
	<b>22,839,912</b>	<b>2,181,496</b>

<b>22. Services cost</b>		
	<b>2023</b>	<b>2022</b>
	<b>QR</b>	<b>QR</b>
Medical volunteer salaries	1,467,608	3,180,457
Hospitality	391,905	442,072
Medicines and medical consumables	600,722	685,086
	<b>2,460,235</b>	<b>4,307,615</b>

**23. Financial risk management**

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

- Market risk
- Credit risk
- Liquidity risk
- Capital risk

The board of directors has overall responsibility for the establishment and oversight of the Charity's risk management framework. The board has established a finance committee which is responsible for developing and monitoring the Charity's risk management strategy and policies. The committee reports regularly to the board of directors on its activities. There have been no changes to the Charity's exposures to risk or the methods used to measure and manage these risks during the year.

The Charity audit committee oversees how management monitors compliance with the Charity's risk management policies and procedures and reviews the adequacy of the risk management framework in the light of the risks faced by the Charity.

The Charity's separate financial instruments consist mainly of cash at banks, trade payable, due to related party, due from related party and lease liabilities.

**Market risk**

Market risk is the risk that changes in market prices, such as foreign exchange rates, equity price and interest rates will affect the Charity's income or the value of its holding of financial instruments. The objective of market risk management is to manage and control market risk exposure within acceptable parameters, while optimizing the return.

*Foreign exchange risk*

The Charity undertakes certain transactions denominated in foreign currencies and hence exposed to risk on exchange rate fluctuations. The use of financial derivatives governed by the Charity's policies, which provide written principles on the use of financial derivatives consistent with the Charity's risk management strategy. The Charity does not use derivative financial instruments for speculative purposes.

**QATAR RED CRESCENT – (QATARI VOLUNTARY CHARITABLE CIVIL SOCIETY)**

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**23. Financial risk management (Continued)**

**Market risk (Continued)**

*Interest rate risk management*

The Charity is exposed to interest rate risk as it borrows funds at both fixed and floating interest rates. Management does not hedge its interest rate risk and believes that the interest rate risk on its loans is minimal in the current business environment.

The Charity exposure to interest rates on financial asset and financial liabilities are detailed in the liquidity risk management section of this note.

**Credit risk**

Credit risk is the risk of financial loss to the Charity if a counterparty to a financial instrument fails to meet its contractual obligations. The Charity's exposure to credit risk is influenced mainly by the individual characteristics of each counterparty.

Credit risk arises on cash at bank, account receivables & other debit balances, accrued income, supplier advance and due from related party.

The Charity's maximum exposure to credit risk as at the reporting date is the carrying amount of its financial assets, which are the following:

2023	12 month or lifetime ECL	Gross carrying amount QR	Loss allowance QR	Net carrying amount QR
Account receivables and other debit balances	Lifetime ECL	15,369,543	(4,613,209)	10,756,334
Due from related party	Lifetime ECL	57,340	–	57,340
Cash in bank	12-month ECL	342,109,804	–	342,109,804
<hr/>				
2022				
Account receivables and other debit balances	Lifetime ECL	13,650,436	(4,088,630)	9,561,806
Due from related party	Lifetime ECL	45,100	–	45,100
Cash in bank	12-month ECL	270,219,532	–	270,219,532

*Due from related parties*

Management believes that there is no credit risk from the due from the related parties, because these counter parties are under the control Directors of the Charity. As a result, they did not record any allowance for impairment loss under the ECL for the current year and previous year.

*Other receivables*

The maximum exposure to credit risk for other receivables (rent receivables, deposits, due from employees) at the reporting date was equal to amount disclosed in the statement of financial position. Management does not expect any losses of collections from these receivable balances. As a result, the ECL on other receivables is expected to be minimal.

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**NOTES TO THE COMBINED FINANCIAL STATEMENTS  
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**23. Financial risk management (Continued)**

**Liquidity risk**

Liquidity risk is the risk that the Charity will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Charity's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Charity's reputation.

The table below summarizes the contractual undiscounted maturities of the Charity's financial liabilities at the reporting date. The Charity's financial liabilities include any contractual finance cost payments.

2023	Less than 12 months QR	More than 12 months QR	Total QR
Accounts payables	7,405,106	–	7,405,106
Restricted donations	265,596,212	–	265,596,212
<hr/>			
2022			
Accounts payables	27,141,447	–	11,686,876
Restricted donations	197,691,637	–	197,691,637

**24. Fair value measurements**

**Fair value hierarchy**

The Charity uses the following hierarchy for determining and disclosing the financial assets at FVOCI by following valuation technique:

Level 1: Quoted (unadjusted) prices in active markets for identical assets or liabilities;

Level 2: Other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly; and

Level 3: Techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data.

As at 31 December, the Charity held the following financial and non-financial assets measured at fair value:

	31 December 2023 QR	Level 1 QR	Level 2 QR	Level 3 QR
<b><u>Financial asset</u></b>				
Financial assets at FVOCI	96,689,548	89,796,405	6,893,143	–

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**24. Fair value measurements (Continued)**

	31 December 2022 QR	Level 1 QR	Level 2 QR	Level 3 QR
<u>Financial asset</u>				
Financial assets at FVOCI	92,461,641	85,568,498	6,893,143	–

During the year ended to 31 December 2023, there were no transfers between Level 1 and Level 2 fair value measurements. There were no movements within Level 3 fair value measurements

**25. Commitment and contingencies**

The Company is subject to litigation and claims in the normal course of its business. The Company, based on independent legal advice, does not believe that the outcome of these cases will have a material impact on the Company's income or financial position.

**26. Subsequent events**

There were no significant events after the reporting date, which have a bearing on these separate financial statements.

**27. Comparative figures**

Certain amounts in the comparative figures of the separate financial statements and notes to the separate financial statements have been reclassified to conform to the current period's presentation.

Management believes that reclassification resulted to a better presentation of accounts and did not have any impact on prior period 's net income.