

Gulf International Services Q.P.S.C.

Condensed consolidated interim financial
information for the six-month period ended
30 June 2024

Gulf International Services Q.P.S.C.

Condensed consolidated interim financial information for the six-month period ended
30 June 2024

CONTENTS

PAGE(S)

Report on review of condensed consolidated interim financial information _____ **1**

Condensed consolidated interim statement of financial position _____ **2-3**

Condensed consolidated interim statement of profit or loss and other comprehensive income **4-5**

Condensed consolidated interim statement of changes in equity _____ **6**

Condensed consolidated interim statement of cash flows _____ **7-8**

Notes to the condensed consolidated interim financial information _____ **9-39**



REPORT ON REVIEW OF CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION TO THE BOARD OF DIRECTORS OF GULF INTERNATIONAL SERVICES Q.P.S.C.

Introduction

We have reviewed the accompanying condensed consolidated interim statement of financial position of Gulf International Services Q.P.S.C. (the "Company") and its subsidiaries (together referred to as the "Group") as at 30 June 2024 and the related condensed consolidated interim statements of profit or loss and other comprehensive income, changes in equity and cash flows for the six-month period then ended and explanatory notes. Management is responsible for the preparation and presentation of this condensed consolidated interim financial information in accordance with International Accounting Standard 34 'Interim Financial Reporting' as issued by the International Accounting Standard Board (IASB). Our responsibility is to express a conclusion on this condensed consolidated interim financial information based on our review.

Scope of review

We conducted our review in accordance with International Standard on Review Engagements 2410, 'Review of interim financial information performed by the independent auditor of the entity'. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed consolidated interim financial information is not prepared, in all material respects, in accordance with International Accounting Standard 34 'Interim Financial Reporting'.

For and on behalf of PricewaterhouseCoopers – Qatar Branch
Qatar Financial Market Authority registration number 120155



Mark Menton
Auditor's registration number 364
Doha, State of Qatar
14 August 2024

Gulf International Services Q.P.S.C.

Condensed consolidated interim financial information for the six-month period ended 30 June 2024
(All amounts are expressed in Qatari Riyals unless otherwise stated)

CONDENSED CONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITION

	Note	30 June 2024 (Reviewed) QR.'000	31 December 2023 (Audited) QR.'000
ASSETS			
Non-current assets			
Property and equipment	6	6,727,580	5,506,609
Right-of-use assets	8	210,465	28,386
Contract assets	10	13,104	13,104
Equity-accounted investees	5	375,601	390,052
Financial assets at FVTOCI	9	409,103	367,949
Total non-current assets		7,735,853	6,306,100
Current assets			
Inventories		498,862	440,351
Contract assets	10	22,562	-
Financial assets at FVTPL	9	454,221	469,342
Trade and other receivables	10	919,292	870,544
Other assets		255,615	149,616
Reinsurance contract assets	19.1	646,172	775,666
Short-term investments	11	584,220	718,793
Other bank balances	13	44,492	47,079
Cash and cash equivalents	12	486,695	530,107
Total current assets		3,912,131	4,001,498
Total assets		11,647,984	10,307,598
EQUITY AND LIABILITIES			
EQUITY			
Share capital	14	1,858,409	1,858,409
Legal reserve		402,427	394,367
General reserve		74,516	74,516
Translation reserve		(3,234)	(23,118)
Fair value reserve		(17,470)	(18,409)
Retained earnings		1,624,353	1,551,370
Equity attributable to shareholders of the Company		3,939,001	3,837,135
Non-controlling interests		-	(482)
Total equity		3,939,001	3,836,653

The interim condensed consolidated statement of financial position continues on the next page



Report on review of condensed consolidated interim financial information is set out on page 1.
The accompanying notes from 1 to 31 form an integral part of this condensed consolidated interim financial information

Gulf International Services Q.P.S.C.

Condensed consolidated interim financial information for the six-month period ended 30 June 2024
(All amounts are expressed in Qatari Riyals unless otherwise stated)

CONDENSED CONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITION (CONTINUED)

	Note	30 June 2024 (Reviewed) QR.'000	31 December 2023 (Audited) QR.'000
LIABILITIES			
Non-current liabilities			
Lease liabilities	8	47,414	23,135
Loans and borrowings	16	5,290,935	4,138,728
Contract liabilities		20,561	2,730
Deferred tax liabilities		23,584	14,672
Provision for employees' end of service benefits		86,053	80,668
Total non-current liabilities		5,468,547	4,259,933
Current liabilities			
Lease liabilities	8	152,837	5,250
Dividends payable	15	44,492	47,079
Loans and borrowings	16	170,111	268,102
Trade and other payables		659,109	638,705
Insurance contract liabilities	19.2	1,148,899	1,251,876
Contract liabilities		64,988	-
Total current liabilities		2,240,436	2,211,012
Total liabilities		7,708,983	6,470,945
Total equity and liabilities		11,647,984	10,307,598

This condensed consolidated interim financial information were approved by the Board of Directors of the Company and signed on its behalf by the following on 14 August 2024.



MOHAMMED YOUSEF AL-MULLA
Member of the Board



ALI JABER AL-MARRI
Member of the Board



Report on review of condensed consolidated interim financial information is set out on page 1.
The accompanying notes from 1 to 31 form an integral part of this condensed consolidated interim financial information.

Gulf International Services Q.P.S.C.

Condensed consolidated interim financial information for the six-month period ended 30 June 2024
(All amounts are expressed in Qatari Riyals unless otherwise stated)

CONDENSED CONSOLIDATED INTERIM STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Note	For the six-month period ended 30 June	
		2024 (Reviewed) QR.'000	2023 (Reviewed) (Restated)* QR.'000
Continuing operations			
Revenue	17	1,295,596	1,162,842
Cost of sales	18	(923,946)	(823,592)
Gross profit from non-insurance operations		371,650	339,250
Insurance revenue	19.2	606,791	548,696
Insurance service expense	19.2	(300,780)	(355,349)
Net expense from reinsurance contracts held	19.1	(245,077)	(137,759)
Insurance service result		60,934	55,588
Gross profit and net insurance service results		432,584	394,838
Finance expense from insurance contracts issued	19.2	(23,875)	(22,177)
Finance income from reinsurance contracts held	19.1	29,952	24,896
Net insurance finance income		6,077	2,719
Other income	21	40,804	19,057
Other gains/(losses) - net	22	(14,068)	(13,095)
General and administrative expenses	20	(85,765)	(81,722)
Net loss on investments in debt securities measured at FVOCI reclassified to profit or loss on disposal		(355)	-
Net fair value gain on financial assets at FVTPL		3,231	6,194
Net monetary (loss)/gain arising from hyperinflation		(586)	40,267
Reversal of impairment loss on property and equipment		329	-
Amortisation of intangibles relating to equity-accounted investees		(1,244)	-
Net impairment reversal on financial assets		142	245
Operating profit		381,149	368,503
Finance income	28.1	33,332	32,928
Finance costs	28.2	(77,821)	(131,989)
Finance costs – net		(44,489)	(99,061)
Share of net profits of equity accounted investees		31,249	11,917
Profit before income tax		367,909	281,359
Income tax expense	23	(11,295)	(1,945)
Profit for the period from continuing operation		356,614	279,414
(Loss)/ Profit from discontinued operation	7	(205)	1,504
Profit for the period		356,409	280,918
<i>Profit/(loss) for the period attributable to:</i>			
Shareholders of the Company		356,409	280,970
Non-controlling interests		-	(52)
		356,409	280,918
Earnings per share:			
Basic and diluted earnings per share from continuing operations attributable to shareholders of the Company		0.192	0.151
Basic and diluted earnings per share from discontinued operations attributable to shareholders of the Company		(0.000)	(0.001)
Basic and diluted earnings per share from profit attributable to shareholders of the Company		0.192	0.150

The interim condensed consolidated statement of profit or loss and other comprehensive income continues on the next page

Gulf International Services Q.P.S.C.

Condensed consolidated interim financial information for the six-month period ended 30 June 2024
(All amounts are expressed in Qatari Riyals unless otherwise stated)

CONDENSED CONSOLIDATED INTERIM STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (CONTINUED)

	For the six-month period ended 30 June	
	2024 (Reviewed) QR.'000	2023 (Reviewed) (Restated)* QR.'000
Other comprehensive income:		
<i>Items that may be reclassified to profit or loss</i>		
Changes in the fair value of debt instruments at fair value through other comprehensive income	584	707
Net instruments at FVOCI reclassified to profit or loss	355	-
Tax reimbursement from equity-accounted investees	3,395	-
Exchange differences on translation of foreign operations including effect of hyperinflation	19,884	(72,674)
Other comprehensive (loss) / income for the period	24,218	(71,967)
Total comprehensive income for the period	380,627	208,951
<i>Total comprehensive income/(loss) for the period attributable to:</i>		
Shareholders of the Company	380,627	209,003
Non-controlling interests	-	(52)
	380,627	208,951
<i>Total comprehensive income/(loss) for the period attributable to the shareholders of the company arises from:</i>		
Continuing operations	380,832	207,447
Discontinued operations	(205)	1,504
	380,627	208,951

*Refer to Note 31 regarding details of restatement.



Report on review of condensed consolidated interim financial information is set out on page 1.
The accompanying notes from 1 to 31 form an integral part of this condensed consolidated interim financial information.

Gulf International Services Q.P.S.C.

Condensed consolidated interim financial information for the six-month period ended 30 June 2024
(All amounts are expressed in Qatari Riyals unless otherwise stated)

CONDENSED CONSOLIDATED INTERIM STATEMENT OF CHANGES IN EQUITY

	Attributable to shareholder of the Company							
	Share capital	Legal reserve	General reserve	Translation reserve	Fair value reserve	Retained earnings	Non-controlling interests	Total equity
Balance at 1 January 2023	1,858,409	384,340	74,516	(71,371)	(27,646)	1,430,284	(312)	3,648,220
Total comprehensive income:								
Profit for the period	-	-	-	-	-	280,970	(52)	280,918
Other comprehensive (loss)/income (As restated)*	-	-	-	(72,674)	707	-	-	(71,967)
Total comprehensive income for the period				(72,674)	707	280,970	(52)	208,951
Transactions with shareholders of the parent:								
Dividends declared	-	-	-	-	-	(185,841)	-	(185,841)
Balance at 30 June 2023 (Reviewed - As restated)*	1,858,409	384,340	74,516	(144,045)	(26,939)	1,525,413	(364)	3,671,330
Balance at 1 January 2024	1,858,409	394,367	74,516	(23,118)	(18,409)	1,551,370	(482)	3,837,135
Total comprehensive income:								
Profit for the period	-	-	-	-	-	356,409	-	356,409
Other comprehensive income	-	-	-	19,884	939	3,395	-	24,218
Total comprehensive income for the period				19,884	939	359,804	-	380,627
Transfer to legal reserve	-	8,060	-	-	-	(8,060)	-	-
Transactions with shareholders of the Company:								
Disposal of subsidiary	-	-	-	-	-	-	482	482
Dividends paid	-	-	-	-	-	(278,761)	-	(278,761)
Balance at 30 June 2024 (Reviewed)	1,858,409	402,427	74,516	(3,234)	(17,470)	1,624,353	-	3,939,001

*The comparative information has been restated. Refer to Note 31 to the condensed consolidated interim financial information.

Report on review of condensed consolidated interim financial information is set out on page 1.
The accompanying notes from 1 to 31 form an integral part of this condensed consolidated interim financial information



Gulf International Services Q.P.S.C.

Condensed consolidated interim financial information for the six-month period ended 30 June 2024
(All amounts are expressed in Qatari Riyals unless otherwise stated)

CONDENSED CONSOLIDATED INTERIM STATEMENT OF CASH FLOWS

	Note	For the six-month period ended 30 June	
		2024 (Reviewed) QR.'000	2023 (Reviewed) (Restated)* QR.'000
Cash flows from operating activities			
(Loss)/ profit before income tax			
Continuing operations		367,909	281,359
Discontinued operations		(205)	2,025
Adjustments for:			
Depreciation of property and equipment	6	192,120	177,512
Impairment reversal on property and equipment		(329)	(4,738)
Loss on sale of property and equipment		1,862	1,882
Depreciation of right-of-use assets	8	7,372	14,519
Share of profit of equity-accounted investees		(31,249)	(11,917)
Loss from the disposal of a subsidiary	7	205	-
Gain on derecognition of equity accounted investee	21	(7,985)	-
Gain on settlement of pre-existing relationship	21	(6,327)	-
Write-down of inventories due to slow-moving and obsolete stock		763	-
Write-off of property and equipment		97	296
Amortisation of intangibles relating to equity-accounted investees		1,244	-
Provision for employees' end of service benefits		9,809	8,375
Net changes in fair value of financial investments at FVTPL		(3,231)	(6,194)
Net gain from sale of financial investments		(155)	(777)
Dividend income		(6,800)	(5,687)
Finance income	28.1	(33,332)	(30,884)
Finance costs – leases	8	1,585	1,026
Finance costs – loans and borrowings	16	76,477	131,536
Amortisation of finance cost related to loans and borrowings		-	13,314
Net impairment reversal on financial assets		(142)	(245)
Net monetary gain / (loss) arising from hyperinflation		586	(40,267)
Operating profit before working capital changes		570,274	531,135
Working capital changes:			
Increase in inventories		(59,274)	(39,644)
Increase in other assets		(105,999)	-
Increase / (decrease) in trade and other receivables		(42,643)	21,331
Decrease / (increase) in reinsurance contract assets		129,494	37,379
Increase in trade and other payables		13,722	(73,632)
(Decrease) / increase in insurance contract liabilities		(102,977)	20,383
Increase in contract assets		(22,864)	-
Increase / (decrease) in contract liabilities		82,819	(6,784)
Cash flows generated from operating activities		462,552	490,168
Employees' end of service benefits paid		(4,424)	(10,796)
Net cash flows generated from operating activities		458,128	479,372

*Refer to note 31 for details regarding restatements

The interim condensed consolidated statement of cashflows continues on the next page



Gulf International Services Q.P.S.C.

Condensed consolidated interim financial information for the six-month period ended 30 June 2024
(All amounts are expressed in Qatari Riyals unless otherwise stated)

CONDENSED CONSOLIDATED INTERIM STATEMENT OF CASH FLOWS (CONTINUED)

	Note	For the six-month period ended 30 June	
		2024 (Reviewed) QR.'000	2023 (Reviewed) (Restated)* QR.'000
Investing activities			
Acquisition of property and equipment	6	(1,348,596)	(88,205)
Acquisition of financial investments		(98,061)	(26,507)
Net movement in short-term investments		134,573	(112,170)
Finance income received		33,332	26,755
Proceeds from sale and maturity of financial investments		75,414	29,896
Proceeds from sale of subsidiary		730	-
Proceeds from disposal of property and equipment		-	3,730
Dividends received		11,194	5,687
Net cash used in investing activities		(1,191,414)	(160,814)
Financing activities			
Principal elements of lease payments	8	(5,518)	(10,268)
Proceeds from loans and borrowings	16	1,107,288	-
Repayment of loans and borrowings	16	(3,129)	(1,669)
Net movement in cash at banks – restricted for dividend		2,587	488
Dividends paid – Claimed and unclaimed		(281,348)	(185,841)
Finance costs paid – leases		(1,585)	(453)
Finance costs paid – loans and borrowings	16	(126,420)	(131,536)
Net cash flows generated from / (used in) financing activities		691,875	(329,279)
Net decrease in cash and cash equivalents		(41,411)	(10,721)
Effects of movements in exchange rates on cash held		(2,001)	(6,261)
Cash and cash equivalents at 1 January		530,107	347,828
Cash and cash equivalents at 30 June	12	486,695	330,846

*Refer to note 31 for details regarding restatements



Report on review of condensed consolidated interim financial information is set out on page 1.
The accompanying notes from 1 to 31 form an integral part of this condensed consolidated interim financial information.

Gulf International Services Q.P.S.C.

Condensed consolidated interim financial information for the six-month period ended 30 June 2024

Notes to the condensed consolidated interim financial information

(All amounts are expressed in Qatari Riyals unless otherwise stated)

1. REPORTING ENTITY

Gulf International Services Q.P.S.C. (the "Group") is a Company incorporated on 13 February 2008 in the State of Qatar under the commercial registration number 38200 as a Qatari Shareholding Company. The principal activity of the Company is to operate as a holding company. As per the Extra Ordinary General Assembly Resolution and in accordance with the Qatar Commercial Companies Law No 11 of 2015 the legal form of the Company has been changed to Qatari Public Shareholding Company (Q.P.S.C.) in 2018. The registered office of the Company is situated in Doha, State of Qatar.

These condensed consolidated interim financial information comprise of the Company and its subsidiaries (together referred to as the 'Group'). The Group is primarily involved in provision of drilling, aviation, insurance and reinsurance.

On 26 May 2008, Qatar Energy listed 70% of the Group's issued share capital on Qatar Exchange. An extraordinary general assembly held on 4 November 2012 approved the amendments to the Articles of Association in which it increased the ownership limit of General Retirement and Social Insurance Authority ("GRSIA"). Subsequently, as per the instructions of the Supreme Council of Economic Affairs, Qatar Energy divested 20% of its stake in the Group to GRSIA.

These condensed consolidated interim financial statements comprise the financial information of the Group and below stated unlisted wholly owned direct subsidiaries as at the end of the reporting date:

Name of the company	Country of incorporation	Segment	Percentage of holding	
			30 June 2024	31 December 2023
			QR.'000	QR.'000
Al Koot Insurance & Reinsurance Company P.J.S.C.	Qatar	Insurance	100%	100%
Gulf Helicopters Company (Qatari Private Shareholding Company)	Qatar	Aviation	100%	100%
Gulf Drilling International Limited (Qatari Private Shareholding Company)	Qatar	Drilling	100%	100%

These condensed consolidated interim financial statements fully consolidate indirect subsidiaries held through the above subsidiaries on a line-by-line basis and also include the share of profit / loss and other comprehensive income from equity accounted investees:

Name of the company	Relationship	Country of incorporation	Beneficial ownership interest	
			30 June 2024	31 December 2023
			QR.'000	QR.'000
Amwaj Catering Services	1	Qatar	30%	30%
GulfdriLL L.L.C.	2	Qatar	100%	50%
Gulf Jackup SPC LLC.*	2	Qatar	100%	-
Air Ocean Maroc	1	Morocco	49%	49%
AOM Aviation Capital (Sarllau)	2	Morocco	100%	100%
United Helicharters Private Limited - Discontinued	2	India	-	90%
Al Maha Aviation Company	2	Libya	100%	100%
Redstar Havacilik Hizmetleri A.S.	2	Turkey	100%	100%
Gulf Helicopters Investment & Leasing Company	2	Morocco	100%	100%

1 Equity accounted investee

2 Indirect subsidiary

*The Group established Gulf Jack Up SPC LLC during the year. Refer to note 31 for details.

Where necessary, adjustments are made to the financial statements of the subsidiaries to bring their accounting policies in line with those used by the Group. All intra-group transactions, balances, income and expenses were eliminated on consolidation.

Gulf International Services Q.P.S.C.

Condensed consolidated interim financial information for the six-month period ended 30 June 2024
Notes to the condensed consolidated interim financial information
(All amounts are expressed in Qatari Riyals unless otherwise stated)

2. BASIS OF PREPARATION

The condensed consolidated interim financial information for the six-month period ended 30 June 2024 has been prepared in accordance with IAS 34 Interim Financial Reporting under the historical cost convention except for the following:

- Equity instruments classified as Fair Value Through Other Comprehensive Income (“FVTOCI”) and Fair Value Through Profit and Loss (“FVTPL”), are measured at fair value;
- Amounts relating to a hyperinflationary economy have been adjusted to reflect the effects of hyperinflation to express the financial statements in terms of the monetary unit current at the end of the reporting date as required by IAS 29.

The condensed consolidated interim financial information is prepared in Qatari Riyals, which is the Company’s functional and Group’s presentation currency, and all values are rounded to the nearest thousands (QR.’000) except when otherwise indicated.

The condensed consolidated interim financial information does not include all information and disclosures required in the annual consolidated financial statements and should be read in conjunction with the Group’s annual consolidated financial statements for the year ended 31 December 2023. In addition, results for the six-month period ended 30 June 2024 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2024. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group’s financial position and performance since the latest annual financial statements.

Judgements, estimates and risk management

The preparation of the condensed consolidated interim financial information requires management to make judgments, estimates and assumptions that affects the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. The significant judgments made by management in applying the Group’s accounting policies, the key sources of estimation uncertainty and financial risk management objectives and policies were the same as those that applied to the Group’s annual consolidated financial statements for the year ended 31 December 2023 except as mentioned below and in note 3.4

3. NEW STANDARDS, AMENDMENTS AND INTERPRETATIONS

3.1 New and amended IFRS Accounting Standards adopted by the Group

The group has applied the following amendments for the first time from 1 January 2024:

- Classification of Liabilities as Current or Non-current and Non-current liabilities with covenants – Amendments to IAS 1; and
- Supplier Finance Arrangements – Amendments to IAS 7 and IFRS 7.

As a result of the adoption of the amendments to IAS 1, the group changed its accounting policy for the classification of borrowings:

“Borrowings are classified as current liabilities unless at the end of the reporting period, the group has a right to defer settlement of the liability for at least 12 months after the reporting period.”

This new policy did not result in a change in the classification of Group’s borrowings. The group did not make retrospective adjustments as a result of adopting the amendments to IAS 1.

3.2 Impact of IFRS Accounting Standards issued but not yet adopted by the group

In August 2023, the IASB amended IAS 21 to help entities to determine whether a currency is exchangeable into another currency, and which spot exchange rate to use when it is not. These new requirements will apply for annual reporting periods beginning on or after 1 January 2025. The management of the Group is in the process of assessing the impact of these new standards, interpretation and amendments which will be adopted in the Group’s financial statements as and when they are applicable.

Gulf International Services Q.P.S.C.

Condensed consolidated interim financial information for the six-month period ended 30 June 2024
Notes to the condensed consolidated interim financial information
(All amounts are expressed in Qatari Riyals unless otherwise stated)

3. NEW STANDARDS, AMENDMENTS AND INTERPRETATIONS (CONTINUED)

3.3 IAS 29 – Financial Reporting in Hyperinflationary Economies

The Group has operations in Turkey through its indirect subsidiary namely Redstar Havacilik Hizmetleri AS. The functional currency of the subsidiary in Turkey is Turkish Lira.

From 1 April 2022, the Turkish economy has been considered hyperinflationary based on the characteristics established by IAS 29, 'Financial Reporting in Hyperinflationary Economies'. This designation is determined following an assessment of a series of qualitative and quantitative circumstances, including the presence of a cumulative inflation rate of more than 100% over the previous three years.

IAS 29 requires that the financial statements of the subsidiary are stated in terms of the measuring unit current at the balance sheet date which requires restatement of non-monetary assets and liabilities to reflect the changes in the general purchasing power of the Turkish Lira.

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

Adjustment for prior periods

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

- the effect of restating non-monetary items from the date they were first recognised; and
- the effect of translating those balances to the closing rate. This results in a difference between the closing equity of the previous year in the condensed consolidated interim financial statements and the opening equity of the current year. The combined effect of restating in accordance with IAS 29 and translation according to IAS 21 is presented as a net change in other comprehensive income (OCI).

Adjustment for current year

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

4. MATERIAL ACCOUNTING POLICIES

The accounting policies used in the preparation of this condensed consolidated interim financial information are consistent with those used in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2023, and the notes attached thereto, except for the adoption of certain new and revised standards, that became effective in the current period as set out below and as disclosed in Note 3.

Gulf International Services Q.P.S.C.

Condensed consolidated interim financial information for the six-month period ended 30 June 2024
Notes to the condensed consolidated interim financial information
(All amounts are expressed in Qatari Riyals unless otherwise stated)

5. EQUITY-ACCOUNTED INVESTEEES

The movement in the equity accounted investees is as follows:

	30 June 2024 (Reviewed) QR,'000
Beginning of the year	390,052
Profit for the period/year	31,249
Amortisation of intangible assets	(1,244)
Tax reimbursement	3,395
Derecognition of equity-accounted investee *	(42,474)
Other adjustments	(983)
Dividends received	(4,394)
	375,601

* The derecognition of QAR 42.4 million relates to the derecognition of the previously held interest in one of Group's former joint venture Gulfdriill L.L.C. Refer to Note 31 for details of the transaction.

Gulf International Services Q.P.S.C.

Condensed consolidated interim financial information for the six-month period ended 30 June 2024
Notes to the condensed consolidated interim financial information
(All amounts are expressed in Qatari Riyals unless otherwise stated)

6. PROPERTY AND EQUIPMENT

	Freehold land	Buildings	Rigs	Machineries	Aircraft	Other property and equipment	Capital work-in- progress	Total
	QR.'000	QR.'000	QR.'000	QR.'000	QR.'000	QR.'000	QR.'000	QR.'000
Cost:								
As at 1 January 2024	90,826	120,015	6,609,881	1,301,798	1,619,101	634,171	197,664	10,573,456
Additions (1)	-	4,991	1,184,528	62,035	68,336	26,491	45,672	1,392,053
Transfers	-	-	-	-	1,004	9,449	(10,453)	-
Disposals	-	-	-	-	(2,658)	(358)	-	(3,016)
Write-offs	-	-	-	(3,650)	-	(5,559)	-	(9,209)
Effect of hyperinflation	-	-	-	-	52,486	3,750	3,028	59,264
Effect of movements in exchange rates	-	-	-	-	(26,342)	(1,811)	(1,633)	(29,786)
Disposal of a subsidiary	-	(2,304)	-	-	-	(1,056)	-	(3,360)
As at 30 June 2024	90,826	122,702	7,794,409	1,360,183	1,711,927	665,077	234,278	11,979,402
Accumulated depreciation and impairment losses:								
As at 1 January 2024	-	61,301	2,671,034	942,493	857,466	534,553	-	5,066,847
Depreciation charge for the period	-	1,543	105,433	28,443	35,812	20,889	-	192,120
Disposals	-	-	-	-	(1,180)	(303)	-	(1,483)
Write-offs	-	-	-	-	(3,553)	(5,559)	-	(9,112)
Effect of hyperinflation	-	-	-	-	9,713	2,466	-	12,179
Effect of movements in exchange rates	-	-	-	-	(4,773)	(920)	-	(5,693)
Disposal of a subsidiary (Note 7)	-	(2,248)	-	-	-	(788)	-	(3,036)
As at 30 June 2024	-	60,596	2,776,467	970,936	893,485	550,338	-	5,251,822
Net carrying value:								
As at 30 June 2024	90,826	62,106	5,017,942	389,247	818,442	114,739	234,278	6,727,580

(1) The balance includes assets acquired from Seadrill Jack Up Holding Ltd. Refer to Note 31 for details.

Gulf International Services Q.P.S.C.

Condensed consolidated interim financial information for the six-month period ended 30 June 2024
Notes to the condensed consolidated interim financial information
(All amounts are expressed in Qatari Riyals unless otherwise stated)

6. PROPERTY AND EQUIPMENT (CONTINUED)

	Freehold land	Buildings	Rigs	Machineries	Aircraft	Other property and equipment	Capital work-in- progress	Total
	QR.'000	QR.'000	QR.'000	QR.'000	QR.'000	QR.'000	QR.'000	QR.'000
Cost								
As at 1 January 2023	90,826	172,764	6,573,810	1,269,415	1,555,713	653,289	173,553	10,489,370
Additions	-	986	1,744	105,042	108,773	52,348	64,407	333,300
Transfers	-	-	34,327	367	-	670	(35,364)	-
Disposals	-	-	-	-	(37,440)	(5,002)	(391)	(42,833)
Write-offs	-	-	-	(10,305)	-	(11,979)	-	(22,284)
Effect of hyperinflation	-	-	-	-	68,521	4,069	-	72,590
Effect of movements in exchange rates	-	(268)	-	-	(76,466)	(6,483)	(4,541)	(87,758)
Disposal of a subsidiary	-	(53,467)	-	(62,721)	-	(52,741)	-	(168,929)
As at 31 December 2023	90,826	120,015	6,609,881	1,301,798	1,619,101	634,171	197,664	10,573,456
Accumulated depreciation and impairment losses:								
As at 1 January 2023	-	105,948	2,469,207	948,404	842,049	562,806	-	4,928,414
Depreciation charge for the year	-	3,037	202,624	51,812	49,812	43,953	-	351,238
Impairment loss	-	-	-	-	7,316	-	-	7,316
Disposals	-	-	-	-	(35,611)	(4,478)	-	(40,089)
Write-offs	-	-	(797)	-	(9,508)	(10,714)	-	(21,019)
Effect of hyperinflation	-	-	-	-	14,836	920	-	15,756
Effect of movements in exchange rates	-	(244)	-	-	(11,428)	(3,794)	-	(15,466)
Disposal of a subsidiary	-	(47,440)	-	(57,723)	-	(54,140)	-	(159,303)
As at 31 December 2023	-	61,301	2,671,034	942,493	857,466	534,553	-	5,066,847
Net carrying value:								
As at 31 December 2023	90,826	58,714	3,938,847	359,305	761,635	99,618	197,664	5,506,609

Gulf International Services Q.P.S.C.

Condensed consolidated interim financial information for the six-month period ended 30 June 2024

Notes to the condensed consolidated interim financial information

(All amounts are expressed in Qatari Riyals unless otherwise stated)

6. PROPERTY AND EQUIPMENT (CONTINUED)

- (a) Capital work-in-progress relates to advances paid to the suppliers for acquisition of aircraft. This amount will be transferred to aircraft, once those are received by the Group. The balance also includes construction of a hangar in the Istanbul Sabiha Goken International Airport facility by Redstar Havacilik Hizmetleri A.S.
- (b) The Group has the following two helicopters which are legally registered under its name but owned by third parties. These assets are not recorded in the condensed consolidated interim financial information:
- (i) A7-GCR owned by Crest Aviation (registered at British Virgin Islands).
- (ii) A7-HMD owned by one of the Customers of the Group (registered in Qatar).
- (c) During the year, the management has carried out an assessment of impairment of its aircraft and rigs in the light of external indicators, current economic conditions surrounding the oil prices and market rates of certain aircraft. The Group considers its fleet (fleet is determined based on the type of aircraft) and rigs as an individual CGU. For each CGU, the recoverable amount was determined to be the higher of fair value less costs to sell and its value-in use.

7. DISCONTINUED OPERATIONS – AMWAJ & UHPL

On 22 April 2024, the Group sold its subsidiary in India, United Helicharters Private Limited ("UHPL") and reported it in the financial statements for the six months ended 30 June 2024 as a discontinued operation. In the period ended 30 June 2023, Amwaj was classified as held for sale and it was subsequently sold during the year with interest retained as an equity accounted investee.

Financial information relating to the discontinued operations for the period to the date of disposal is set out below

	UHPL		Amwaj	
	30 June 2024 (Reviewed)	30 June 2023 (Reviewed)	30 June 2024 (Reviewed)	30 June 2023 (Reviewed)
	QR.'000	QR.'000	QR.'000	QR.'000
Revenue	-	280	-	242,867
Expenses	-	(1,096)	-	(242,972)
Other income	-	282	-	591
Other gains/losses – net	-	-	-	76
Finance income	-	13	-	2,057
Finance costs	-	-	-	(594)
Loss before income tax	-	(521)	-	2,025
Income tax expense	-	-	-	(62)
Loss after income tax of discontinued operation	-	(521)	-	1,963
Loss on sale of the subsidiary after income tax	(205)	-	-	-
Loss from discontinued operation	(205)	(521)	-	1,963
Net cash (outflow) / inflow from operating activities	-	226	-	69,558
Net cash (outflow) / inflow from investing activities	-	-	-	21,670
Net cash outflow from financing activities	-	-	-	(67,117)
Net change in cash generated by the subsidiary	-	226	-	24,111
Details of the of the subsidiary deconsolidated as at 22 April 2024				2024
				QR.'000
Consideration received				730
Receivable from UHPL – waived by the Group				(4,997)
Less carrying amount of net liabilities deconsolidated				4,062
Loss on disposal				(205)

Gulf International Services Q.P.S.C.

Condensed consolidated interim financial information for the six-month period ended 30 June 2024
Notes to the condensed consolidated interim financial information
(All amounts are expressed in Qatari Riyals unless otherwise stated)

8. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES

Amounts recognised in the condensed consolidated interim statement of financial position

The condensed consolidated interim statement of financial position shows the following amounts relating to leases:

Right-of use assets

	30 June 2024 (Reviewed) QR.'000	31 December 2023 (Audited) QR.'000
Rigs	184,928	-
Buildings	10,750	11,966
Land	14,787	16,420
	210,465	28,386

The details of Group's right-of-use assets are as follows:

	30 June 2024 (Reviewed) QR.'000	31 December 2023 (Audited) QR.'000
Balance at 1 January	28,386	49,571
Addition during the period / year	189,451	28,385
Depreciation charge for the period / year	(7,372)	(13,701)
Disposal of subsidiary	-	(35,869)
	210,465	28,386

Lease liabilities

Amounts recognised in the condensed consolidated interim statement of financial position

The Group has recorded lease liabilities as follows:

	30 June 2024 (Reviewed) QR.'000	31 December 2023 (Audited) QR.'000
Balance at 1 January	28,385	41,371
Additions during the period / year	177,384	28,386
Finance costs for the period / year	1,585	202
Payments made during the period / year	(7,103)	(6,154)
Disposal of subsidiary	-	(35,420)
	200,251	28,385

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

	30 June 2024 (Reviewed) QR.'000	31 December 2023 (Audited) QR.'000
Non-current liabilities	47,414	23,135
Current liabilities	152,837	5,250
	200,251	28,385

Gulf International Services Q.P.S.C.

Condensed consolidated interim financial information for the six-month period ended 30 June 2024
Notes to the condensed consolidated interim financial information
(All amounts are expressed in Qatari Riyals unless otherwise stated)

8. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES (CONTINUED)

Amounts recognised in the condensed consolidated interim statement of profit or loss and other comprehensive income

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

	30 June 2024 (Reviewed) QR.'000	30 June 2023 (Reviewed) QR.'000
Interest expense (included in finance cost)	1,585	453
Amortisation of right-of-use assets	7,372	14,519

9. FINANCIAL INVESTMENTS

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

	30 June 2024 (Reviewed) QR.'000	31 December 2023 (Audited) QR.'000
Investments measured at fair value through profit or loss (FVTPL)		
- Quoted debt securities (i)	138,181	133,094
- Quoted equity securities (i)	176,166	206,527
- Quoted shares in Qatari public shareholding companies	139,874	129,721
	454,221	469,342
Investments measured at fair value through other comprehensive income (FVOCI)		
- Quoted debt securities (ii)	390,720	334,696
- Quoted managed investment funds	18,381	33,251
- Unquoted shares	2	2
	409,103	367,949

- (i) These are acquired and incurred principally for the purpose of selling or repurchasing them in the near term or to take advantage of short-term market movements.
- (ii) Quoted debt securities at FVOCI with original maturity of up to one to nine years.
- (iii) Financial investments at FVTPL and FVOCI, except unquoted shares, have been valued using Level 1 measurement basis and there have been no transfers between Level 1 and Level 2 fair value measurements.

Financial investments are presented in the condensed consolidated interim statement of financial position as follows:

	30 June 2024 (Reviewed) QR.'000	31 December 2023 (Audited) QR.'000
Non-current assets	409,103	367,949
Current assets	454,221	469,342
	854,324	837,291

Gulf International Services Q.P.S.C.

Condensed consolidated interim financial information for the six-month period ended 30 June 2024
Notes to the condensed consolidated interim financial information
(All amounts are expressed in Qatari Riyals unless otherwise stated)

10. TRADE AND OTHER RECEIVABLES

	30 June 2024 (Reviewed) QR.'000	31 December 2023 (Audited) QR.'000
Trade receivables	966,853	918,105
Less: Provision for impairment of trade and other receivables	(47,561)	(47,561)
	919,292	870,544

Movement in provision for impairment of trade and other receivables is as follows:

	30 June 2024 (Reviewed) QR.'000	31 December 2023 (Audited) QR.'000
Balance at 1 January	47,561	66,309
Disposal of subsidiary	-	(20,208)
Provision made during the year	-	1,460
	47,561	47,561

Provision for impairment loss/ (reversal of impairment) on financial assets is presented in condensed consolidated interim statement of profit or loss and other comprehensive income and analysed as follows:

	30 June 2024 (Reviewed) QR.'000	31 December 2023 (Audited) QR.'000
Financial investments	4,365	(237)
Trade and other receivables	-	1,460
Short-term investments	73	118
Cash and bank balances	4	-
	4,442	1,341

Contract assets presented in the condensed consolidated interim statement of financial position as follows:

	30 June 2024 (Reviewed) QR.'000	31 December 2023 (Audited) QR.'000
Current	22,562	-
Non-current	13,104	13,104
	35,666	13,104

11. SHORT-TERM INVESTMENTS

	30 June 2024 (Reviewed) QR.'000	31 December 2023 (Audited) QR.'000
Short-term investments	584,220	718,793
	584,220	718,793

These fixed deposits are held with local commercial banks with original maturity from 3 months to 1 year which earn interest at an average annual rate of 4% to 6.52% (2023: 4% to 6%) per annum. There are no deposits during the period under lien for arranging bank guarantees to a subsidiary (2023: QR 27.6 million).

Gulf International Services Q.P.S.C.

Condensed consolidated interim financial information for the six-month period ended 30 June 2024
Notes to the condensed consolidated interim financial information
(All amounts are expressed in Qatari Riyals unless otherwise stated)

12. CASH AND BANK BALANCES

	30 June 2024 (Reviewed) QR.'000	31 December 2023 (Audited) QR.'000
Cash in hand	190	229
Cash at bank		
- Current accounts and call deposits	486,582	529,878
	486,772	530,107
Less: Provision for impairment of bank balances	(77)	-
Cash and cash equivalents as per condensed consolidated interim statement of financial position	486,695	530,107

13. OTHER BANK BALANCES

	30 June 2024 (Reviewed) QR.'000	31 December 2023 (Audited) QR.'000
Cash at banks – restricted for dividend	44,492	47,079
	44,492	47,079

14. SHARE CAPITAL

	30 June 2024 (Reviewed) QR.'000	31 December 2023 (Audited) QR.'000
Issued and paid-up capital	1,858,409	1,858,409

The Group has an authorised share capital of QR 2,000 million, divided into 1 special share of nominal value of QR 1 and 1,999,999,999 ordinary shares of each of nominal value of QR 1. As at the reporting date, the Group had issued and paid-up capital of QR 1,858,409 thousand (2023: QR 1,858,409 thousand) which consists of 1 special share of nominal value of QR 1 and 1,858,408,689 ordinary shares each of nominal value of QR 1 (2023: 1 special share of nominal value of QR 1 and 1,858,408,689 ordinary shares each of nominal value of QR 1). The special share is owned by QatarEnergy and may not be cancelled or redeemed without the consent of QatarEnergy. The special share grants rights to QatarEnergy as described in its Articles of Association.

Special share may be transferred only to the Government, any Government Corporation or any QatarEnergy affiliate. All ordinary shares carry equal rights.

15. DIVIDENDS

During the period, the shareholders approved and paid dividend amounting to QR 278,761 thousand (2023: QR 185,841 thousand). The dividend approved during the current period was transferred to Edaa inline with the new regulations of the Qatar Financial Market Authority. The remaining balances relates to unclaimed dividends of prior periods and the movement during the period is in respect of the dividends claimed by the shareholders during the period.

	30 June 2024 (Reviewed) QR.'000	31 December 2023 (Audited) QR.'000
Balance at 1 January	47,079	48,619
Dividends declared during the period/year	278,761	185,841
Dividends paid during the period/year	(281,348)	(187,381)
	44,492	47,079

Gulf International Services Q.P.S.C.

Condensed consolidated interim financial information for the six-month period ended 30 June 2024
Notes to the condensed consolidated interim financial information
(All amounts are expressed in Qatari Riyals unless otherwise stated)

16. LOAN AND BORROWINGS

	30 June 2024 (Reviewed) QR.'000	31 December 2023 (Audited) QR.'000
Loans related to drilling segment (i)	5,437,790	4,380,446
Loan related to aviation segment (ii)	23,256	26,384
	5,461,046	4,406,830

The movements of loans and borrowings were as follows:

	30 June 2024 (Reviewed) QR.'000	31 December 2023 (Audited) QR.'000
Balance at 1 January	4,406,830	4,368,055
Borrowings obtained during the period/ year	1,107,288	20,440
Interest during the period/ year	76,477	205,060
Repaid during the period/ year	(129,549)	(193,374)
Movement in unamortised finance costs	-	6,649
	5,461,046	4,406,830

Presented in the condensed consolidated interim statement of financial position as follows:

	30 June 2024 (Reviewed) QR.'000	31 December 2023 (Audited) QR.'000
Non-current liabilities	5,290,935	4,138,728
Current liabilities	170,111	268,102
	5,461,046	4,406,830

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

In March 2023, the Group renegotiated its existing loan facilities and obtained 2 new loan facilities of QR 4,132 million from local banks. The loans will be repaid in 18 unequal annual instalments commencing from 2026 and a balloon payment of 35% upon maturity in 2048. The refinancing did not result in any extinguishment gain/loss.

In June 2024, Gulf Jackup SPC LLC obtained a new loan facility of USD 304 million (QAR 1,107 million) from a financial institution to finance the consideration payable pursuant to assets purchase agreement of drilling rigs and any costs associated with the transaction. The loan will be repaid in 40 quarterly instalments commencing from June 2024. The facility bear interest rate of SOFR + 1.6% rate.

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

Gulf International Services Q.P.S.C.

Condensed consolidated interim financial information for the six-month period ended 30 June 2024
Notes to the condensed consolidated interim financial information
(All amounts are expressed in Qatari Riyals unless otherwise stated)

17. REVENUE

(a) Revenue streams

The Group mainly generates revenue from the aviation, drilling and insurance and reinsurance services.

	Six-month period ended 30 June 2024 (Reviewed) QR.'000	Six-month period ended 30 June 2023 (Reviewed) QR.'000
Revenue from contracts with customers	1,295,596	1,162,842

17.1 Revenue from contracts with customers

In the following table, revenue from contracts with customers is disaggregated by primary major service lines and timing of revenue recognition.

	Six-month period ended 30 June 2024 (Reviewed) QR.'000	Six-month period ended 30 June 2023 (Reviewed) QR.'000
Revenue from drilling and related services		
Drilling services	553,644	511,768
Management services	171,190	153,160
	724,834	664,928
Revenue from aviation services		
Transportation services	497,110	441,769
Supply of spare parts	52,864	28,347
Operation services	19,309	26,956
Training services	1,479	842
	570,762	497,914
	1,295,596	1,162,842

	Six-month period ended 30 June 2024 (Reviewed) QR.'000	Six-month period ended 30 June 2023 (Reviewed) QR.'000
Revenue by geographic location		
Qatar	1,076,389	981,222
Turkey	153,503	123,183
Others	65,704	58,337
	1,295,596	1,162,742

Timing of revenue recognition

	Six-month period ended 30 June 2024 (Reviewed) QR.'000	Six-month period ended 30 June 2023 (Reviewed) QR.'000
Point in time	232,242	201,098
Over time	1,063,354	961,744
	1,295,596	1,162,842

Gulf International Services Q.P.S.C.

Condensed consolidated interim financial information for the six-month period ended 30 June 2024
Notes to the condensed consolidated interim financial information
(All amounts are expressed in Qatari Riyals unless otherwise stated)

18. COST OF SALES

	Six-month period ended 30 June 2024 (Reviewed) QR.'000	Six-month period ended 30 June 2023 (Reviewed) QR.'000
Staff salaries and related costs	355,621	333,753
Other costs	375,074	323,711
Depreciation of machinery and equipment	187,095	163,257
Depreciation of Right-of-use assets	6,156	2,871
	923,946	823,592

Gulf International Services Q.P.S.C.

Condensed consolidated interim financial information for the six-month period ended 30 June 2024
Notes to the condensed consolidated interim financial information
(All amounts are expressed in Qatari Riyals unless otherwise stated)

19. INSURANCE AND REINSURANCE CONTRACTS

Breakdown of the amounts presented on the interim condensed statement of financial position for insurance contract liabilities and reinsurance contract liabilities is as follows:

19.1 Analysis by remaining coverage and incurred claims for reinsurance contracts

	Period ended 30 June 2024					Total
	Remaining coverage		Incurred claims		RA for non-financial risk	
	Excluding loss component	Loss recovery component	Excluding RA for non-financial risk	RA for non-financial risk		
Reinsurance contracts held:						
Opening Reinsurance Contract Assets	(851,598)	20,666	1,474,797	131,801		775,666
Reinsurance Service expenses						
Reinsurance expense	(340,357)	-	-	-		(340,357)
Amounts recoverable for incurred claims and other expenses	-	-	92,688	-		92,688
Loss-recovery on onerous underlying contracts and adjustments	-	(8,793)	-	-		(8,793)
Changes to amounts recoverable for incurred claims	-	-	35,449	(24,064)		11,385
Amounts recoverable from reinsurers for incurred	(340,357)	(8,793)	128,137	(24,064)		(245,077)
Net income or expense from reinsurance contracts held	(340,357)	(8,793)	128,137	(24,064)		(245,077)
Finance income from reinsurers contracts held	-	-	26,423	3,549		29,972
Effect of changes in non-performance risk of reinsurers	-	-	(20)	-		(20)
Total changes in the statement of income	(340,357)	(8,793)	154,540	(20,515)		(215,125)
Cash flows						
Premiums paid net of ceding commissions and other directly attributable expenses paid	131,030	-	-	-		131,030
Recoveries from reinsurance	-	-	(45,399)	-		(45,399)
Total cash flows	131,030	-	(45,399)	-		85,631
Closing Reinsurance Contract Assets	(1,060,925)	11,873	1,583,938	111,286		646,172

Gulf International Services Q.P.S.C.

Condensed consolidated interim financial information for the six-month period ended 30 June 2024
Notes to the condensed consolidated interim financial information
(All amounts are expressed in Qatari Riyals unless otherwise stated)

19. INSURANCE AND REINSURANCE CONTRACTS (CONTINUED)

19.1 Analysis by remaining coverage and incurred claims for reinsurance contracts

	Year ended 31 December 2023				
	Remaining coverage		Incurred claims		
	Excluding loss component	Loss recovery component	Excluding RA for non-financial	RA for non-financial risk	Total
Reinsurance contracts held:					
Opening Reinsurance Contract Assets	(711,896)		1,322,580	54,798	668,446
Reinsurance Service expenses					
Reinsurance expense					(661,393)
Amounts recoverable for incurred claims and other expenses			196,879	12,957	209,836
Loss-recovery on onerous underlying contracts and adjustments		17,702			17,702
Changes to amounts recoverable for incurred claims			155,816	61,189	217,005
Amounts recoverable from reinsurers for incurred claims		17,702	352,695	74,146	444,543
Net income or expense from reinsurance contracts held		17,702	352,695	74,146	(216,850)
Finance income from reinsurers contracts held			50,949	2,857	53,806
Effect of changes in non-performance risk of reinsurers			990		990
Total changes in the statement of income	(661,393)	17,702	404,634	77,003	(162,054)
Cash flows					
Premiums paid net of ceding commissions and other directly attributable expenses paid	521,692				521,692
Recoveries from reinsurance					(252,418)
Total cash flows	521,692		(252,418)		269,274
Closing Reinsurance Contract Assets	(851,597)	20,666	1,474,796	131,801	775,666

Gulf International Services Q.P.S.C.

Condensed consolidated interim financial information for the six-month period ended 30 June 2024
Notes to the condensed consolidated interim financial information
(All amounts are expressed in Qatari Riyals unless otherwise stated)

19. INSURANCE AND REINSURANCE CONTRACTS (CONTINUED)

19.2 Analysis by remaining coverage and incurred claims for insurance contracts

	Period ended 30 June 2024				
	Liability for remaining coverage (LRC)		Liability for incurred claims (LIC)		Total
	Excluding loss component	Loss component	Excluding RA for non-financial risk	RA for non-financial risk	
Insurance contracts issued:					
Opening Insurance Contract Liabilities	186,255	52,931	830,529	182,161	1,251,876
Insurance Revenue	(606,791)	-	-	-	(606,791)
Insurance Service expenses					
Incurred claims and other directly attributable expenses	-	-	227,242	-	227,242
Changes that relate to past service - adjustments to the LIC	-	-	94,269	(39,503)	54,766
Losses (Reversal) of onerous contract	-	(8,932)	-	-	(8,932)
Insurance acquisition cash flows amortization	27,704	-	-	-	27,704
Insurance Service expenses	27,704	(8,932)	321,511	(39,503)	300,780
Insurance Service result	(579,087)	(8,932)	321,511	(39,503)	(306,011)
Insurance finance expenses					
Insurance acquisition cash flows	-	-	18,941	4,934	23,875
Total changes in the statement of profit or loss and OCI	(579,087)	(8,932)	340,452	(34,569)	(282,136)
Cash flows					
Premiums received	564,486	-	-	-	564,486
Claims and other directly attributable Expenses paid	-	-	(368,551)	-	(368,551)
Insurance acquisition cash flows paid	(16,628)	-	-	-	(16,628)
Total cash flows	547,858	-	(368,551)	-	179,307
Closing Insurance Contract Liabilities	154,878	43,999	802,431	147,591	1,148,899

Gulf International Services Q.P.S.C.

Condensed consolidated interim financial information for the six-month period ended 30 June 2024
Notes to the condensed consolidated interim financial information
(All amounts are expressed in Qatari Riyals unless otherwise stated)

19. INSURANCE AND REINSURANCE CONTRACTS (CONTINUED)

19.2 Analysis by remaining coverage and incurred claims for insurance contracts

	Year ended 31 December 2023				
	Liability for remaining coverage (LRC)		Liability for incurred claims (LIC)		Total
	Excluding loss component	Loss component	Excluding RA for non-financial risk	RA for non-financial risk	
Insurance contracts issued:					
Opening Insurance Contract Liabilities	113,532	6,047	879,467	80,659	1,079,705
Insurance Revenue	(1,173,899)	-	-	-	(1,173,899)
Insurance Service expenses					
Incurred claims and other directly attributable expenses	-	-	393,095	21,324	414,419
Changes that relate to past service - adjustments to the LIC	-	-	288,808	76,119	364,927
Losses (Reversal) of onerous contract	-	46,884	-	-	46,884
Insurance acquisition cash flows amortization	60,661	-	-	-	60,661
Insurance Service expenses	60,661	46,884	681,903	97,443	886,891
Insurance Service result	(1,113,238)	46,884	681,903	97,443	(287,008)
Insurance finance expenses	-	-	40,857	4,057	44,914
Total changes in the statement of profit or loss and OCI	(1,113,238)	46,884	722,760	101,500	(242,094)
Cash flows					
Premiums received	1,237,595	-	-	-	1,237,595
Claims and other directly attributable Expenses paid	-	-	(774,957)	-	(774,957)
Insurance acquisition cash flows paid	(48,373)	-	-	-	(48,373)
Total cash flows	1,189,222	-	(774,957)	-	414,265
Closing Insurance Contract Liabilities	189,516	52,931	827,270	182,159	1,251,876

Gulf International Services Q.P.S.C.

Condensed consolidated interim financial information for the six-month period ended 30 June 2024
 Notes to the condensed consolidated interim financial information
 (All amounts are expressed in Qatari Riyals unless otherwise stated)

20. GENERAL AND ADMINISTRATIVE EXPENSES

	Six-month period ended 30 June 2024 (Reviewed) QR.'000	Six-month period ended 30 June 2023 (Reviewed) QR.'000
Salaries and other benefits	46,855	34,573
Legal and professional expenses	14,332	8,768
Miscellaneous expenses	7,670	12,609
Depreciation of machinery and equipment (Note 6.2)	6,240	8,443
Board of Directors' allowances	3,964	4,078
Service fees	3,215	3,707
Public relations and advertisement expenses	1,057	1,252
Repairs and maintenance expenses	724	4,425
Communication expenses	591	2,072
Travel expenses	534	1,009
Qatar Exchange and Edaa expense	526	520
Printing and Stationery expenses	57	266
	85,765	81,722

21. OTHER INCOME

	Six-month period ended 30 June 2024 (Reviewed) QR.'000	Six-month period ended 30 June 2023 (Reviewed) QR.'000
Rental income	3,159	2,188
Income Tax benefit recognised pursuant to MOU	-	1,945
Profit distribution from managed investment funds	-	879
Dividend income	6,800	4,809
Gain on settlement of pre-existing lease contracts (Note 30)	6,327	-
Gain on de-recognition of equity accounted investee (Note 30)	7,985	-
Insurance claims	5,936	-
Miscellaneous income	10,597	9,236
	40,804	19,057

22. OTHER GAINS/(LOSSES) - NET

	Six-month period ended 30 June 2024 (Reviewed) QR.'000	Six-month period ended 30 June 2023 (Reviewed) QR.'000
Net foreign exchange gains	(13,351)	(12,325)
Miscellaneous	(717)	(770)
	(14,068)	(13,095)

Gulf International Services Q.P.S.C.

Condensed consolidated interim financial information for the six-month period ended 30 June 2024
Notes to the condensed consolidated interim financial information
(All amounts are expressed in Qatari Riyals unless otherwise stated)

23. INCOME TAX EXPENSE

In light of the provisions of the new Qatar Income Tax Law No. 24 of 2018 and subsequent Executive Regulations, on 4 February 2020, Qatar Energy (the ultimate parent), Ministry of Finance and the General Tax Authority (GTA) reached an agreement through a Memorandum of Understanding (“the MOU”) which provided a mechanism for the settlement of the income tax liability of subsidiaries and joint ventures (included in the said MOU) of certain companies listed on Qatar Exchange. All Qatar based subsidiaries of the group are included in the said MOU according to which, the income tax liability of the Group will ultimately be borne by Ministry of Finance (“MoF”). However, as per the MOU, the subsidiaries are required to calculate the income tax due based on the Group’s ownership and pay such income tax amounts directly to the parent company.

As per the requirements of IAS 34, income tax expense is recognised in each interim period based on the best estimate of the weighted average annual income tax rate expected for the full financial year. Amounts accrued for income tax expense in the current interim period may be adjusted in the subsequent interim period of the current financial year if the estimate of the annual income tax rate changes.

The Subsidiaries have accounted for tax expense based on the tax rate applicable in accordance with the Qatar Income Tax Law. The Group is in ongoing discussions with the tax authority to confirm the tax base applicable to the group companies.

The Group has accounted for the tax expense relating to the current and deferred tax liabilities of Group’s foreign subsidiaries amounting to QR 11.2 million in the condensed consolidated interim statement of profit or loss as detailed below:

	Six-month period ended 30 June 2024 (Reviewed) QR.’000	Six-month period ended 30 June 2023 (Reviewed) QR.’000
Current tax expense / (income):		
Current period charge	1,156	2,702
Relating to prior year, net	-	(757)
Deferred tax charge	10,139	-
	11,295	1,945

24. RELATED PARTIES

The Group, in the ordinary course of business, carries out transactions with other business enterprises that fall within the definition of related parties as per IAS 24 “Related Party Disclosures”. The balances with related parties as at the period-end and the transactions during the period, are disclosed as follows:

(a) Transactions with related parties

	Six-month period ended 30 June 2024 (Reviewed) QR.’000	Six-month period ended 30 June 2023 (Reviewed) QR.’000
Revenue – Parent, associate and affiliated entities	1,030,517	1,126,321
Direct and other operating expenses – Parent, associate and affiliated entities	84,621	61,504

Gulf International Services Q.P.S.C.

Condensed consolidated interim financial information for the six-month period ended 30 June 2024

Notes to the condensed consolidated interim financial information

(All amounts are expressed in Qatari Riyals unless otherwise stated)

24. RELATED PARTIES (CONTINUED)

Name of the entity	Relationship	30-Jun-24 (Reviewed) Revenue	30-Jun-24 (Reviewed) Expenses	30-Jun-23 (Reviewed) Revenue	30-Jun-23 (Reviewed) Expenses
QatarEnergy	Parent	740,912	21,606	542,339	18,318
QatarEnergy LNG	Other related party	-	-	144,737	345
Qatar Fuel Company (WOQOD) QPSC	Other related party	28,024	21,572	58,155	13,363
Qatar Petrochemical Company (QAPCO) QPSJC	Other related party	42,055	232	47,037	-
Qatar Fertiliser Company (QAFCO) QPSC	Other related party	53	8,310	28,611	3,303
Oryx GTL Limited	Other related party	197	-	1,485	-
North Oil Company	Other related party	-	-	60,250	-
Gulfdrill LLC	Joint Venture	171,189	-	153,324	-
Others	Other related party	48,087	32,901	90,383	26,175
		1,030,517	84,621	1,126,321	61,504

Gulf International Services Q.P.S.C.

Condensed consolidated interim financial information for the six-month period ended 30 June 2024
Notes to the condensed consolidated interim financial information
(All amounts are expressed in Qatari Riyals unless otherwise stated)

24. RELATED PARTIES (CONTINUED)

(b) Related party balances

Name of the entity	Relationship	Due from – Trade receivables		Due to – Trade payables	
		30 June 2024 (Reviewed)	31 December 2023 (Audited)	30 June 2024 (Reviewed)	31 December 2023 (Audited)
QatarEnergy	Parent	201,137	257,658	3,302	8,590
QatarEnergy LNG	Under common control	411,948	128,410	-	-
Gulfdrill L.L.C.	Under common control	-	227,263	-	-
Qatar Fuel Company (WOQOD) Q.P.S.C.	Under common control	-	-	2,296	5,215
North Oil Company	Under common control	27,245	17,672	-	-
Amwaj	Equity investee	460	-	18,318	19,691
Others*	Under common control	4,086	5,647	1,812	3,490
		644,876	636,650	25,728	36,986

* This includes balance pertaining to accruals of Board of Directors' retainer and attendance allowance.

The due from related party balances are of trading nature, bear no interest or securities and are receivable on due date as per respective contracts, which is less than 12 months from the reporting date. These balances also include accrued revenues which are not yet billed to customers at period end.

Gulf International Services Q.P.S.C.

Condensed consolidated interim financial information for the six-month period ended 30 June 2024
Notes to the condensed consolidated interim financial information
(All amounts are expressed in Qatari Riyals unless otherwise stated)

24. RELATED PARTIES (CONTINUED)

(c) Remuneration of key management personnel

	Six-month period ended 30 June 2024 (Reviewed) QR.'000	Six-month period ended 30 June 2023 (Reviewed) QR.'000
Board of Directors' allowances (1)	3,300	3,740
Other key management personnel	11,123	11,524

(1) This represents amount accrued for Board of Directors' retainer and attendance allowance.

25. EARNINGS PER SHARE

Basic earnings per share has been calculated by dividing the profit for the period attributable to ordinary shareholders by the adjusted weighted average number of equity shares outstanding at the end of the reporting period.

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

	Six-month period ended 30 June 2024 (Reviewed) QR.'000	Six-month period ended 30 June 2023 (Reviewed) QR.'000
Profit attributable to shareholders of the Group (QR '000)	356,409	280,918
Weighted average number of ordinary shares outstanding (in shares) (Note 13)	1,858,408,689	1,858,408,689
Basic and diluted earnings per share	0.192	0.151

26. COMMITMENTS

	30 June 2024 (Reviewed) QR.'000	31 December 2023 (Audited) QR.'000
Capital commitments	705,783	730,212

It is not anticipated that any material liabilities will arise from the commitments which were issued in the normal course of business.

Gulf International Services Q.P.S.C.

Condensed consolidated interim financial information for the six-month period ended 30 June 2024
Notes to the condensed consolidated interim financial information
(All amounts are expressed in Qatari Riyals unless otherwise stated)

27. OPERATING SEGMENTS

The Group has three reportable segments, as described below. The segments offer different services and are managed separately because they require different technology and marketing strategies and also incorporated as separate legal entities. For each of the segments, the Board of Directors reviews internal management reports on at least a quarterly basis. The following summary describes the operations of each reportable segment

Reportable segments	Operations
Insurance	Provides insurance and reinsurance services in Qatar.
Aviation	Provides helicopter transportation services throughout the Gulf Region, Libya, Turkey, Morocco and India. The aviation segment includes the information relating to Gulf Helicopters Company and its subsidiaries and joint ventures.
Drilling	Provides drilling and ancillary services in Qatar.

Gulf International Services Q.P.S.C.

Condensed consolidated interim financial information for the six-month period ended 30 June 2024

Notes to the condensed consolidated interim financial information
(All amounts are expressed in Qatari Riyals unless otherwise stated)

27. OPERATING SEGMENTS (CONTINUED)

As at and for the six-month period ended 30 June 2024 (Reviewed)	Insurance		Aviation		Drilling		Amwaj Equity Accounting - Catering		Discontinued Operations		Head office and Intercompany elimination		Total
	QR.'000	QR.'000	QR.'000	QR.'000	QR.'000	QR.'000	QR.'000	QR.'000	QR.'000	QR.'000	QR.'000	QR.'000	
<i>Timing of revenue recognition</i>													
At a point in time	-	232,242	-	-	-	-	-	-	-	-	-	-	232,242
Over time	-	338,520	-	724,834	-	-	-	-	-	-	-	-	1,063,354
Insurance revenue	606,938	-	-	-	-	-	-	-	-	-	-	-	606,938
Segment revenue	606,938	570,762	-	724,834	-	-	-	-	-	-	-	-	1,902,534
Inter-segment revenue	(147)	-	-	-	-	-	-	-	-	-	-	-	(147)
External revenues	606,791	570,762	-	724,834	-	-	-	-	-	-	-	-	1,902,387
Segment profit before tax	77,075	187,670	11,430	89,553	11,430	2,181	367,909						
Adjusted EBITDA	61,808	238,196	11,430	306,866	11,430	(6,410)	611,890						
Finance income	17,512	3,398	-	-	-	12,422	33,332						
Finance costs	-	(1,695)	-	(76,126)	-	-	(77,821)						
Depreciation and amortization	135,448	52,229	-	7,984	-	3,831	199,492						
Cost of sales	-	359,858	-	560,420	-	3,668	923,946						
General and administrative expenses	(18,647)	(28,687)	-	(31,591)	-	(6,840)	(85,765)						
Other Income	4,940	9,231	-	21,764	-	4,869	40,804						
Other gains/(losses) - net	-	(13,111)	-	(512)	-	(445)	(14,068)						
Income tax expense	(14,345)	(50,199)	-	(8,955)	-	62,204	(11,295)						
<i>Other material non-cash items:</i>													
Provision of impairment losses on financial assets	142	-	-	-	-	-	142						
Reversal of impairment loss on property and equipment	-	329	-	-	-	-	329						
<i>Other information</i>													
Share of results and impairment losses from equity accounted investees	-	8,215	-	11,604	-	11,430	31,249						
(b) Adjusted EBITDA reconciles to operating profit before income tax as follows:													
Adjusted EBITDA	61,808	238,196	11,430	306,866	11,430	(6,410)	611,890						
Finance income	17,512	3,398	-	-	-	12,422	33,332						
Finance costs	-	(1,695)	-	(76,126)	-	-	(77,821)						
Depreciation and amortisation	(2,245)	(52,229)	-	(141,187)	-	(3,831)	(199,492)						
Profit before income tax from continuing operations	77,075	187,670	11,430	89,553	11,430	2,181	367,909						

Gulf International Services Q.P.S.C.

Condensed consolidated interim financial information for the six-month period ended 30 June 2024

Notes to the condensed consolidated interim financial information
(All amounts are expressed in Qatari Riyals unless otherwise stated)

27. OPERATING SEGMENTS (CONTINUED)

As at and for the six-month period ended 30 June 2023 (Reviewed)
For the year ended and as at 30 June 2023 (Reviewed)

	Insurance	Aviation	Drilling	Discontinued Operations	Head office and Intercompany elimination	Total
	QR.'000	QR.'000	QR.'000	QR.'000	QR.'000	QR.'000
<i>Timing of revenue recognition</i>						
At a point in time	-	201,377	-	-	-	201,377
Over time	-	296,814	665,640	243,147	(929)	1,204,672
Insurance revenue	548,696	-	-	-	-	548,696
Segment revenue	548,696	498,191	665,640	243,147	(929)	1,954,745
Inter-segment revenue	(928)	(60)	-	(27,126)	-	(28,114)
External revenues	547,768	498,131	665,640	216,021	(929)	1,926,631
Segment profit before tax	63,459	228,422	(21,739)	1,504	11,217	282,863
Adjusted EBITDA	75,733	190,657	234,044	-	11,037	511,471
Finance income	14,421	7,186	66	2,070	11,255	34,998
Finance costs	-	(524)	(131,465)	(595)	-	(132,584)
Depreciation and amortization	(2,147)	(44,427)	(124,384)	(15,806)	11,435	(175,329)
Cost of sales	-	(280,763)	(540,589)	(230,140)	(2,240)	(1,053,732)
General and administrative expenses	(16,053)	(26,183)	(33,339)	(7,663)	(6,147)	(89,385)
Other Income	4,774	5,255	3,369	667	4,325	18,390
Other gains/(losses) – net	-	(11,737)	(772)	(2)	(586)	(13,097)
Income tax expense	(1,319)	(334)	-	(62)	(292)	(2,007)
<i>Other material non-cash items:</i>						
Reversal of provision of impairment losses on financial assets	(12,945)	-	-	-	-	(12,945)
Impairment loss on property and equipment	-	-	-	-	-	-
<i>Other information</i>						
Share of results and impairment losses from equity accounted investees	-	(2,299)	14,216	-	-	11,917
(b) Adjusted EBITDA						
Adjusted EBITDA reconciles to operating profit before income tax as follows:						
Total Adjusted EBITDA	75,733	190,657	234,044	-	11,037	511,471
Finance income	14,421	7,186	66	-	11,255	32,928
Finance costs	-	(524)	(131,465)	-	-	(131,989)
Depreciation and amortisation	(2,147)	(44,427)	(124,384)	-	(11,435)	(182,393)
Profit before income tax from continuing operations	63,459	228,422	(21,739)	-	11,217	281,359

Gulf International Services Q.P.S.C.

Condensed consolidated interim financial information for the six-month period ended 30 June 2024
Notes to the condensed consolidated interim financial information
(All amounts are expressed in Qatari Riyals unless otherwise stated)

28. FINANCE COSTS

28.1 FINANCE INCOME

	Six-month period ended 30 June 2024 (Reviewed) QR.'000	Six-month period ended 30 June 2023 (Reviewed) QR.'000
Interest income	33,332	32,928

28.2 FINANCE COSTS

	Six-month period ended 30 June 2024 (Reviewed) QR.'000	Six-month period ended 30 June 2023 (Reviewed) QR.'000
Finance charges paid for lease liabilities	1,585	144
Interest and finance charges paid/ payables for financial liabilities	76,236	131,845
	77,821	131,989

29. FINANCIAL INSTRUMENTS – FAIR VALUE

The fair value of financial investments that are actively traded in organized financial markets is determined by reference to quoted market bid prices for assets and offer prices for liabilities at the close of business at the end of the reporting period.

For financial instruments where there is no active market, the fair value is determined by using valuation techniques. Such techniques include using recent arm's length transactions, reference to the current market value of another instrument which is substantially the same and/or discounted cash flow analysis. For discounted cash flow techniques, estimated future cash flows are based on management's best estimates and the discount rate used is a market related rate for a similar instrument.

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. The carrying value of the financial assets and liabilities approximates their fair values. The estimated fair values of the Group's major financial instruments are provided in the tables below:

Fair value hierarchy

The fair value of financial instruments approximates their carrying values.

The Group uses the following hierarchy for determining and disclosing the fair value of financial instruments by 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.

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

At the reporting date, the Group held the following financial investments measured at fair value.

Gulf International Services Q.P.S.C.

Condensed consolidated interim financial information for the six-month period ended 30 June 2024
Notes to the condensed consolidated interim financial information
(All amounts are expressed in Qatari Riyals unless otherwise stated)

29. FINANCIAL INSTRUMENTS – FAIR VALUE (CONTINUED)

	Level 1 QR.'000	Level 2 QR.'000	Level 3 QR.'000	Total QR.'000
30 June 2024 (Reviewed)				
Assets measured at fair value				
Financial investments at FVTPL	454,211	-	-	454,211
Financial investments at FVOCI	409,103	-	-	409,103
	863,314	-	-	863,314
31 December 2023 (Audited)				
Assets measured at fair value				
Financial investments at FVTPL	469,343	-	-	469,343
Financial investments at FVOCI	367,949	-	-	367,949
Financial investments at FVOCI	837,292	-	-	837,292

During the period ended 30 June 2024 and year ended 31 December 2023, there were no transfers between Level 1 and Level 2 fair value measurements, and no transfers into and out of Level 3 fair value measurements.

30. ACQUISITION OF ASSETS AND LIABILITIES

On 25 June 2024, the Company purchased from Seadrill Jack Up Holding Ltd. (former joint venture partner), the residual interest of 50% in GulfdriLL. As a result of the transaction, the holding changed from 50% joint venture interest to 100% owned subsidiary of Gulf Drilling International Limited (Qatari Private Shareholding Company). Accordingly, the previously held interest of QAR 42.4 million in GulfdriLL was derecognised and a fair value gain of QAR 7.9 million was recognised as the difference between the carrying value of the previously held interest in the former joint venture and its fair value.

Since almost all of the fair value of the acquired assets and liabilities were concentrated in a group of assets i.e., the 3 rigs purchased and the right of use asset for 2 rigs recorded in GulfdriLL, the transaction was recorded as an asset acquisition.

Further, Gulf Drilling International Limited (Qatari Private Shareholding Company) incorporated Gulf Jackup SPC LLC as a Special Purpose Company in accordance with the provisions of the Qatar Financial Centre Companies Regulations. As part of the same transaction on the same day, Gulf Jackup SPC LLC acquired 3 rigs from wholly owned subsidiaries of Seadrill Limited.

Details of the purchase consideration and net assets acquired are as follows:

	25 June 2024 QR. '000
Purchase consideration	
Fair value of previously held equity-accounted investee	50,459
Cash paid	1,230,319
Total purchase consideration	1,280,778

Gulf International Services Q.P.S.C.

Condensed consolidated interim financial information for the six-month period ended 30 June 2024
Notes to the condensed consolidated interim financial information
(All amounts are expressed in Qatari Riyals unless otherwise stated)

30. ACQUISITION OF ASSETS AND LIABILITIES (CONTINUED)

The purchase price has been allocated to the assets and liabilities as a result of the acquisition based on relative fair values as follows:

	25 June 2024
	QR. '000
Rigs	1,183,000
Right-of-use assets	175,892
Contract assets	22,562
Due from related parties	127,559
Trade and other receivables	165,242
Cash and cash equivalents	3,629
Lease liabilities	(172,176)
Contract liabilities	(70,523)
Trade and other payables	(84,228)
Due to related parties	(70,179)
Net identifiable assets acquired	1,280,778

The difference between the carrying value of the former joint ventures assets as at 25 June 2024 and the fair value of the consideration paid gave rise to a gain amounting to QAR 5.84 million, which was allocated to Right of use assets as at 25 June 2024.

(i) *Gain on equity-accounted investee:*

	25 June 2024
	QR. '000
Fair value of previously held equity-accounted investee	50,459
Carrying value of previously held equity-accounted investee	(42,474)
Gain on equity-accounted investee	7,985

(ii) *Settlement of pre-existing lease contracts:*

Before acquisition of assets, GulfdriLLC had recorded right-of-use assets and lease liabilities in respect of the 3 rigs which were acquired by Gulf Jackup SPC LLC on 25th June 2024. Accordingly, the lease liabilities were derecognized together with the corresponding right of use asset which resulted in a gain as show below. This is recorded in Other income in the condensed consolidated statement of profit or loss.

Right-of-use assets	186,741
Lease liabilities	193,068
Gain on settlement of pre-existing lease contracts	6,327

Gulf International Services Q.P.S.C.

Condensed consolidated interim financial information for the six-month period ended 30 June 2024
Notes to the condensed consolidated interim financial information
(All amounts are expressed in Qatari Riyals unless otherwise stated)

31. RESTATEMENTS

Management has re-evaluated the accounting treatment of certain transactions and balances recorded in the consolidated financial statements in the prior periods to determine if such transactions and balances have been accounted for appropriately under IFRS Accounting Standards.

(a) Application of IAS 29:

The Group has a subsidiary in Turkey and the functional currency of the subsidiary is Turkish Lira. As from 1 April 2022, the Turkish economy has been considered hyperinflationary based on the characteristics established by IAS 29, 'Financial Reporting in Hyperinflationary Economies'. The Group applied IAS 29 for the first time in the interim period ended 30 June 2022.

The ongoing re-translation of comparative amounts to closing exchange rates under IAS 21, 'The Effects of Changes in Foreign Exchange Rates', and the hyperinflation adjustments required by IAS 29 leads to a difference in addition to the difference arising on the adoption of hyperinflation accounting. This is because the rate at which the hyperinflationary currency depreciates against a stable currency is rarely equal to the rate of inflation. It is commonly accepted that two policy options exist for such differences. In the interim period ended 30 June 2023 the Group reported the hyperinflation effect separately in equity while the foreign exchange portion was reported in other comprehensive income.

Ultimately, in the financial statements for the year ended 31 December 2023, the alternative policy election was applied to report both items together as a net foreign exchange item in other comprehensive income as the Group believes reporting the hyperinflation effect as a gain or loss is a more relevant presentation. Consequently, the comparatives in this interim condensed consolidated financial information have been restated to reflect the accounting policy applied in the previous annual financial statements.

Summary of the effect of these restatements on the previously reported figures is as follows:

Effect on the condensed consolidated interim statement of comprehensive income for the year ended 30 June 2023:

	Previously reported	Restatement	Restated
Exchange difference on translation of foreign operation including effect of hyperinflation	(44,736)	(27,938)	(72,674)
Other comprehensive (loss)/income for the year	(44,029)	(27,938)	(71,967)
Total comprehensive income for the year	236,889	(27,938)	208,951

Effect on the condensed consolidated interim statement of changes in equity for the year ended 30 June 2023:

	Previously reported	Restatement	Restated
Foreign currency translation reserve	(116,107)	(27,938)	(144,045)
Retained earnings	1,497,475	27,938	1,525,413

Gulf International Services Q.P.S.C.

Condensed consolidated interim financial information for the six-month period ended 30 June 2024
Notes to the condensed consolidated interim financial information
(All amounts are expressed in Qatari Riyals unless otherwise stated)

31. RESTATEMENTS (CONTINUED)

b) Condensed consolidated interim statement of Cashflow:

During the period ended 30 June 2024, the Group performed the following reclassifications on the comparative figures to conform with the presentation in the 31 December 2023 financial statements with respect to the following:

i) Other reclassifications materially all arising from (a) the reclassification of line items in the statement of financial position at the prior year end, and (b) the Group's decision to present a full uncondensed cash flow statement.

ii) Dividend cash flows were previously included within operating activities within the condensed consolidated interim statement of cashflow for the period ended 30 June 2023 but have now been reclassified to cashflows from financing activities as the Group believes this provides a more relevant presentation.

iii) The cash flows from discontinued operations have now been presented in the line items to which they relate rather than being shown as a single total within each of operating, investing, and financing activities.

Effect on the condensed consolidated interim statement of cashflow as at 30 June 2023:

	Previously reported	(i)	(ii)	(iii)	Restated
Cash flows from operating activities					
Profit for the period – Continuing operations	278,893	(2,466)			281,359
Profit/(loss) for the period – Discontinued	2,025	-			2,025
Profit before income tax including discontinued operations	280,918	(2,466)			283,384
Depreciation of property and equipment	173,355	-	-	4,157	177,512
Impairment reversal on property and	-	(4,738)	-	-	(4,738)
Write-off of property and equipment	-	296	-	-	296
Depreciation of right-of-use assets	2,871	-	-	11,648	14,519
Loss on disposal of property and equipment	(2,486)	4,292	-	76	1,882
Provision for employees' end of service	6,517	-	-	1,858	8,375
Finance income	(32,941)	-	-	2,057	(30,884)
Finance costs	131,989	(131,989)	-	-	-
Finance costs – leases	-	453	-	573	1,026
Finance costs – loans and borrowings	-	131,536	-	-	131,536
Operating profit before working capital changes	508,449	2,317	-	20,369	531,135
Inventories	(40,090)	-	-	446	(39,644)
Trade and insurance receivables, prepayments and due to related parties	26,565	(26,565)	-	-	-
Trade and other receivables	-	(36,902)	-	58,233	21,331
Reinsurance contract assets	-	37,379	-	-	37,379
Trade and other payables	-	(69,985)	-	(3,647)	(73,632)
Contract liabilities	13,599	(20,383)	-	-	(6,784)
Insurance contract liabilities	-	20,383	-	-	20,383
Trade and insurance payables, accruals and due to related	(281,467)	95,626	185,841	-	-
Cash generated from operations	227,056	1,870	185,841	75,401	490,168
Employees' end of service benefits paid	(4,984)	-	-	(5,812)	(10,796)
Cash generated from operating activities – Continuing	222,072	(222,702)	-	-	-
Cash generated from/(used in) operating activities – Discontinued operations	67,532	-	-	(67,532)	-
Net cash generated from operating activities	289,604	1,870	185,841	2,057	479,372

Gulf International Services Q.P.S.C.

Condensed consolidated interim financial information for the six-month period ended 30 June 2024

Notes to the condensed consolidated interim financial information

(All amounts are expressed in Qatari Riyals unless otherwise stated)

31. RESTATEMENTS (CONTINUED)

	Previously reported	(i)	(ii)	(iii)	Restated
Acquisition of property and equipment	(88,151)	-	-	(54)	(88,205)
Acquisition of financial investments	-	(26,507)	-	-	(26,507)
Acquisition of financial investments at FVTPL	(11,287)	11,287	-	-	-
Acquisition of financial investments at FVOCI	(15,220)	15,220	-	-	-
Net movement in short-term investments	(133,818)	-	-	21,648	(112,170)
Finance income received	28,812	-	-	(2,057)	26,755
Proceeds from disposal of property and equipment	3,654	-	-	76	3,730
Net movement in cash at banks – restricted for dividends	(487)	487	-	-	-
Cash (used in)/ generated from investing activities – Continuing operations	(180,914)	(180,914)	-	-	-
Cash generated from investing activities – Discontinued	21,670	-	-	(21,670)	-
Net cash used in investing activities	(159,244)	487	-	(2,057)	(160,814)
Dividends paid	-	(185,841)	(185,841)	-	(185,841)
Finance costs paid	(131,990)	131,537	-	-	(453)
Finance costs paid - Loans and borrowings	-	(131,536)	-	-	(131,536)
Principal element of lease payments	(3,151)	-	-	(7,117)	(10,268)
Cash used in financing activities – Continuing operations	(136,325)	(136,325)	-	-	-
Cash used in financing activities – Discontinued operations	(7,117)	-	-	7,117	-
Net cash used in financing activities	(143,442)	1	(185,838)	-	(329,279)
Net decrease in cash and cash equivalents	(13,082)	2,358	3	-	(10,721)
Effects of exchange rate changes on cash and cash equivalents	(3,900)	-	(2,361)	-	(6,261)