Translated "Originally issued in Arabic"

Maridive & Oil Services
An Egyptian Joint Stock Company
Free Zone Company
Separate financial statements
For the year ended 31 December 2021
And auditor's report

Maridive & Oil Services
An Egyptian Joint Stock Company (Free Zone Company)
Separate financial statements
For the year ended 31 December 2021

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KPMG

Hazem Hassan
Public Accountants & Consultants

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Auditor's report on the separate financial statements

To: The Shareholders' of Maridive & Oil Services Company

Report on the financial statements

We have audited the accompanying separate financial statements of Maridive & Oil Services Company "an Egyptian Joint Stock Company – Free Zone Company", which comprise the separate statement of financial position as of 31 December 2021 and the related statements of profit or loss, comprehensive income, changes in equity and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Financial Statements

These separate financial statements are the responsibility of Company's management. Management is responsible for the preparation and fair presentation of these financial statements in accordance with the Egyptian Accounting Standards, and in the light of the prevailing Egyptian laws, management responsibility includes, designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; management responsibility also includes selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

The separate financial statements of the company for the year 31 December 2020 were audited by another auditor, and his report dated on April 28, 2021, on those financial statements was qualified.

Auditor's Responsibility

Our responsibility is to express an opinion on these separate financial statements based on our audit and except for the effects of the matters described in the basis for qualified opinion paragraphs (A, B, C, D, E, F and G), We conducted our audit in accordance with the Egyptian Standards on Auditing and in the light of the prevailing Egyptian laws except for the effects of the matters described in the basis for qualified opinion. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the separate financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the separate financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the separate financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the separate financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Basis for Qualified Opinion

A. As stated in Note No. (10) of the notes to the separate financial statements, the PP&E include the value of marine units with a net book value of USD 283 331 584. According to the company's current operating conditions and the delay in the periodic maintenance dates, there are an impairment indication of the value of those marine units. Moreover, the company's management did not provide us with an impairment study of those marine units listed in the PP&E on December 31, 2021, in accordance with the requirements of the Egyptian Accounting Standard No. (31) "Impairment of assets". We were unable to perform any alternative audit procedures to validate the valuation of these assets.

B. As stated in Note No. (12) of the notes to the separate financial statements, The company has an investment in a subsidiary company amounted to USD 170 826 600 on December 31, 2021, which is Valentine Maritime Ltd., that has achieved net losses for period more than a year, which led to retained losses of USD 83 722 549 according to the financial statements of the subsidiary company on December 31, 2021. The company did not conduct an impairment study for this investment and its impact on the company's separate financial statements on December 31, 2021, in accordance with the requirements of the Egyptian Accounting Standard No. (31) "Impairment of Assets". We were unable to perform any alternative audit procedures to validate the valuation of the balance of this investment.

C. As stated in Note No. (17) of the notes to the separate financial statements, the company's management did not provide us with some bank confirmations with a total amount of USD 1,542 on December 31, 2021, for Abu Dhabi Islamic Bank, Commercial International Bank, Credit Agricole Bank and Cairo Bank. We were not able to perform any alternative audit procedures to assure the completeness of transactions and balances with these banks.

D. As stated in Note No. (19) of the notes to the separate financial statements, the company's management did not provide us with some of loan bank confirmations with a total amount of USD 158 864 912 on December 31, 2021, for Abu Dhabi Islamic Bank, European Bank for Reconstruction and Development. We were not able to perform any alternative audit procedures to assure the accuracy and completeness of the balances with these banks.

E. As stated in Note No. (19) of the notes to the separate financial statements, the company has not committed to paying the installments due for the existing loans on December 31, 2021 according to the schedule agreed upon in the contracts of these loans that due to Abu Dhabi Islamic Bank, HSBC Bank, Attijari Wafa Bank (Ex. Barclays) and the European Bank for Reconstruction and Development, in addition to the company's failure to fulfill the financial commitments for those loans until December 31 2021, and the company did not obtain a waiver letters from the financial covenants from the lending banks until December 31, 2021. Despite that, the management classified the loan installments that were due during this year as a long-term liability, in violation of the Egyptian Accounting Standard No. (1) "Presentation of Financial Statements".

F. As stated in Note No. (23) of the notes to the separate financial statements, there is a balance due from a related party "Ocean Marine Company" (a subsidiary company) in the amount of USD 23 742 953 on December 31, 2021. The company has doubt to collect this balance in light of the financial statements of the subsidiary company. The company did not provide us with an impairment study of this debit balance to assess the potential impact on the company's separate financial statements.

G. The company did not comply with the requirements of Egyptian Accounting Standard No. (47) "Financial Instruments" which should be applied for the financial periods beginning on or after January 1, 2021. We were not able to perform any alternative procedures to verify the potential financial impact on the separate financial statements as a result of non-compliance with that standard.

Qualified Opinion

Except for the effects of the matters described in the basis for qualified opinion, the accompanying separate financial statements present fairly, in all material respects, the separate financial position of Maridive and Oil Services Company as of December 31, 2021, and its financial performance and its cash flows for the year then ended in accordance with the Egyptian Accounting Standards and in the light of the Egyptian laws and regulation.

Emphasis of matter

Without considering this as a qualification to our opinion as detailed in Note No. (29), we bring attention to the fact that the company has a net loss of USD 43 268 495 for the financial year ended on December 31, 2021, and on that date it had current liabilities exceeded current assets by an amount of USD 155 103 775 and these circumstances, in addition to other matters detailed in Note No. (19) indicate the existence of a significant uncertainty that may lead to a doubt in the company's ability to continue as a going concern.

Report on Other Legal and Regulatory Requirements

The Company keeps proper accounting records, which include all that, is required by law and by the statutes of the Company, and the separate financial statements, are in agreement therewith. The Company maintains proper costing accounts; the inventory physical count was performed by the Company's management in accordance with methods in practice.

The financial information contained in the Board of Directors' report on the financial year ended December 31, 2021, prepared in accordance with companies' Law No. 159 of 1981 and its executive regulations in agreement with the Maridive and oil services accounting records within the limit that such information is recorded therein.

Hany Selim - Partner
Financial Regulatory Authority No. (397)
KPMG Hazem Hassan

KPMG Hazem Hassan
Public Accountants and Consultants
(11)

Cairo, March 23, 2022

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Maridive & Oil Services Company
An Egyptian Joint Stock Company (Free Zone Company)
Separate statement of financial position as of 31 December 2021
(All amounts are in US Dollar)

	Note	12/31/2021	12/31/2020
Assets			
Non-current assets			
Property, plant and equipment (Net)	10	294 970 218	306 465 496
Projects under construction	11	3 245 557	4 915 382
Investments in subsidiaries	12	236 889 413	236 889 413
Intangible assets	13	68 021	98 734
Total non-current assets		**535 173 209**	**548 369 025**
Current assets			
Inventories		4 076 979	4 976 476
Trade receivables	15	16 819 304	20 425 085
Debtors and other debit balances	16	4 599 271	4 147 500
Due from subsidiaries' companies	23-1	28 527 592	29 743 808
Cash and cash equivalents	17	147 066	588 468
Total current assets		**54 170 212**	**59 881 337**
Total assets		**589 343 421**	**608 250 362**
Equity			
Issued and paid-up capital	22	188 102 296	188 102 296
Reserves		113 111 157	113 111 157
Retained losses		(63 016 872)	(19 748 377)
Total equity		**238 196 581**	**281 465 076**
Non-current liabilities			
Long term loans installments	19	135 778 622	155 311 021
Lease liabilities	14-1	6 094 231	7 258 212
Total non-current liabilities		**141 872 853**	**162 569 233**
Current liabilities			
Provisions	21-1	7 782 854	228 305
Bank credit facilities	18	18 791 649	17 676 913
Long term loans - Current portion	19	59 512 549	40 503 752
Trade and notes payable		16 735 259	15 724 995
Creditors and other credit balances	20	68 555 865	56 351 953
Due to subsidiaries' companies	23-3	24 564 421	24 428 854
Due to related parties	23-2	13 331 390	9 301 281
Total current liabilities		**209 273 987**	**164 216 053**
Total liabilities		**351 146 840**	**326 785 286**
Total liabilities and shareholder's equity		**589 343 421**	**608 250 362**

The notes on pages 6 to 34 are an integral part of these separate financial statements.

Vice President - Finance & Chief Financial Officer	**Chairman**
Mohamed Ashraf	**Shahira Zeid**

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Maridive & Oil Services Company

An Egyptian Joint Stock Company (Free Zone Company)

Separate statement of profit or loss for the year ended 31 December 2021

(All amounts are in US Dollar)

For the year ended December 31,

	Note	2021	2020
Operating revenues	4	41 438 882	44 364 909
Operating cost	5	(50 988 662)	(55 614 411)
Gross loss		**(9 549 780)**	**(11 249 502)**
Other revenues		237 958	180 000
Administrative expenses	6	(10 080 795)	(10 865 411)
Other expenses	7	(9 285 451)	(25 229 319)
Finance cost (Net)	8	(14 590 427)	(16 804 724)
Net loss for the year		**(43 268 495)**	**(63 968 956)**
Basic and diluted loss per share for the year (US Dollar / Share)	9	**(0.092)**	**(0.136)**

The notes on pages 6 to 34 are an integral part of these separate financial statements.

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Maridive & Oil Services Company

An Egyptian Joint Stock Company (Free Zone Company)

Separate statement of comprehensive income for the year ended 31 December 2021

(All amounts are in US Dollar)

For the year ended December 31,	2021	2020
Net loss for the year	(43 268 495)	(63 968 956)
Other comprehensive income	-	-
Total comprehensive income for the year	**(43 268 495)**	**(63 968 956)**

The notes on pages 6 to 34 are an integral part of these separate financial statements.

Maridive & Oil Services Company
An Egyptian Joint Stock Company (Free Zone Company)
Separate statement of changes in equity for the year ended 31 December 2021
(All amounts are in US Dollar)

	Issued and paid up capital	Private reserve	Legal reserve	Total reserves	Retained losses	Net loss for the year	Total
Balance at 1 January 2020	188 102 296	76 877 138	36 234 019	113 111 157	39 733 873	-	340 947 326
Adjustments on beginning balance							
Reversal of impairment on right of use assets	-	-	-	-	4 486 706	-	4 486 706
Adjusted Balance at 1 January 2020	**188 102 296**	**76 877 138**	**36 234 019**	**113 111 157**	**44 220 579**	-	**345 434 032**
Adjusted Balance at 1 January 2020	**188 102 296**	**76 877 138**	**36 234 019**	**113 111 157**	**44 220 579**	-	**345 434 032**
Comprehensive income							
Net loss for the year	-	-	-	-	-	(63 968 956)	(63 968 956)
Other comprehensive income	-	-	-	-	-	-	-
Total comprehensive income for the year	-	-	-	-	-	**(63 968 956)**	**(63 968 956)**
Transferred to retained losses	-	-	-	-	(63 968 956)	63 968 956	-
Balance at 31 December 2020	**188 102 296**	**76 877 138**	**36 234 019**	**113 111 157**	**(19 748 377)**	-	**281 465 076**
Balance at 1 January 2021	188 102 296	76 877 138	36 234 019	113 111 157	(19 748 377)	-	281 465 076
Comprehensive income							
Net loss for the year	-	-	-	-	-	(43 268 495)	(43 268 495)
Other comprehensive income	-	-	-	-	-	-	-
Total comprehensive income for the year	-	-	-	-	-	**(43 268 495)**	**(43 268 495)**
Transferred to retained losses	-	-	-	-	(43 268 495)	43 268 495	-
Balance at 31 December 2021	**188 102 296**	**76 877 138**	**36 234 019**	**113 111 157**	**(63 016 872)**	-	**238 196 581**

The notes on pages 6 to 34 are an integral part of these separate financial statements.

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Maridive & Oil Services Company

An Egyptian Joint Stock Company (Free Zone Company)

Separate statement of cash flows for the year ended 31 December 2021

(All amounts are in US Dollar)

For the year ended December 31,	Note	2021	2020
Cash flows from operating activities:			
Net loss for the year		(43 268 495)	(63 968 956)
Adjustments :			
- Depreciation of property, plant and equipment	10	15 043 259	16 007 662
- Amortization of intangible assets		30 713	42 182
- Loss on sale of property, plant and equipment		-	2 104 744
- Impairment losses on property, plant and equipment		-	438 271
- Finance costs		15 959 688	16 803 691
		(12 234 835)	**(28 572 406)**
Changes in:			
- Inventories		899 497	1 288 797
- Trade receivables	28	3 605 781	24 727 256
- Debtors and other debit balances		(412 131)	1 917 219
- Due from subsidaries		1 216 216	(2 538 132)
- Due from related parties		-	24 454
- Trade and notes payables		1 010 264	(464 908)
- Creditors and other credit balances	28	652 987	3 833 239
- Due to subsidaries		135 567	4 061 043
- Due to related parties		4 030 109	(309 517)
- Provisions		7 554 549	(500 952)
Cash generated from operating activities		**6 458 004**	**3 466 093**
Interest paid		(2 859 924)	(4 337 044)
Net cash from / (used in) operating activities		**3 598 080**	**(870 951)**
Cash flows from investing activities:			
Payments for purchase of PP&E and projects under construction		(1 878 156)	(2 906 167)
Proceeds from sale of PP&E		-	6 163 729
Payments for purchase of intangible assets		-	(66 435)
Net cash (used in) / from investing activities		**(1 878 156)**	**3 191 127**
Cash flows from financing activities:			
Payments for loan installments		(2 230 567)	(1 794 794)
Proceeds from long term loans		408 678	348 517
Proceeds/ (payments) from bank credit facilities		896 836	(604 937)
Payments for lease liabilities		(1 236 273)	(794 565)
Net cash used in financing activities		**(2 161 326)**	**(2 845 779)**
Net decrease in cash and cash equivalents during the year		(441 402)	(525 603)
Cash and cash equivalents at January 1	17	588 468	1 114 071
Cash and cash equivalents at December 31	**17**	**147 066**	**588 468**

The notes on pages 6 to 34 are an integral part of these separate financial statements.

1. Reporting entity

Maridive and Oil Services S.A.E. Company – an Egyptian Joint Stock Company – was established under the framework of the provisions of the Arab and Foreign Investment and Free Zones Law No. 43 of 1974 which was replaced by the Investment Law No. 230 of 1989 and subsequently replaced by the Investment Guarantees and Incentives Law No. 8 of 1997. And replaced by law No. 72 of 2017 The Ministerial Decree of the incorporation of the Company and its articles of incorporation were published in the Egyptian Gazette Issue No. 29 dated March 19, 1978.

The Company is registered in commercial registry under No. 19564 on 19 March 1978.

The license for the company's operation has been extended for five years starting 20 July 2017 according to the decision no.27/ 2017 granted from the general authority for investment and free zone dated 21 August 2017.

Address of the Company is Plot 13-line F, General Free Zone, Port Said – Arab Republic of Egypt.

In 1993, the Company established a branch in Abu Dhabi in the United Arab Emirates; which was registered under No. 25391 dated June 26, 1993.

2. The Company's purpose

A) The purpose of Maridive and Oil Services S.A.E. is to provide in the free zone of the Arab Republic of Egypt all marine services, including the supply of services, maintenance, construction, establishment, and rescue operations whether under or above the level of the sea.

B) All works related to manufacturing services for marine and land establishments including cleaning, maintenance, construction, transportation, supplies and all related equipment and spare parts required for those services.

C) Owning and renting launches, marine loaders, supplying ships and all marine equipment.

D) The company may benefit or participate by any kind with individuals and companies which have the same similar work, or which may cooperate in reaching objectives. Also, the company may merge with previously mentioned companies or acquire them. In addition, the company has the right to establish specialized companies in relation to its various activities. All the above decisions must be approved by the investment and zone general authority.

3. Basis of preparation

3.1 Statement of compliance

The separate financial statements for the year ended December 31, 2021 have been prepared in accordance with Egyptian Accounting Standards (EAS), and in the light of the prevailing Egyptian laws.

The financial statements were authorized for issue by the Board of Directors on March 21, 2022.

3.2 Significant accounting polices

The separate financial statements were prepared by the same accounting policies that were applied and followed when preparing the company's financial statements for the financial year ending December 31, 2020, and these policies have been consistently followed taking into cconsideration the changes resulting from the application of Egyptian Accounting Standard No. 48 "Revenue from Contracts with Customers" & EAS No. (49) Leases.

3.2.1 Egyptian Accounting Standard No. 48 – Revenue form contracts with customers

The company applied the EAS No. 48 as of January 1, 2021.Information about the company's accounting policies relating to contracts with customers is provided in five steps as identified (in Note No.5-B):

Revenue from contracts with customers is recognized by the company based on five step modules as identified in EAS No. 48:

Step 1: Determine the contract (contracts) with customer: A contract is defined as an agreement between two or more parties that meets the rights and obligations based on specified standards which must be met for each contract.

Step 2: Determine the performance obligations in contract: Performance obligations is a consideration when the goods and services are delivered.

Step 3: Determine the transaction price: Transaction price is the compensation amount that the company expects to recognize to receive for the transfer of goods or services to customer, except for the collected amounts on behalf of other parties.

Step 4: Allocation of the transaction price of the performance obligations in the contract: If the service concession arrangement contains more than one performance obligation, the company will allocate the transaction price on each performance obligation by an amount that specifies an amount against the contract in which the company expects to receive in exchange for each performance obligation satisfaction.

Step 5: Revenue recognition when the entity satisfies its performance obligations.

The company satisfy the performance obligation and recognize revenue over time, if one of the following criteria is met: -

a) Company's performance does not arise any asset that has an alternative use of the company and the company has an enforceable right to pay for completed performance until the date.

b) The company arise or improves a customer-controlled asset when the asset is arising or improved.

c) The customer receives and consumes the benefits of company's performance at the same time as soon as the company has performed.

d) For performance obligations, if one of the above conditions is met, revenue is recognized in the period in which the company satisfies performance obligation.

When the company satisfies performance obligation by providing the services promised, it creates an asset based on payment for the contract performance obtained, when the amount of the contract received from customer exceeds the amount of the revenue recognized, resulting advance payments from the customer (contractual obligation)

Revenue is recognized to the extent that is potential for the flow of economic benefits to the company, revenue and costs can be measured reliably, where appropriate.

The application of Egyptian Accounting Standard No. 48 requires management to use the following judgements:

Satisfaction of performance obligation

The company should assess all contracts with customers to determine whether performance obligations are satisfied over a period or at a point in time in order to determine the appropriate method for revenue recognition. The company estimated that, and based on the agreement with customers, the company does not arise asset has alternative use to the company and usually has an enforceable right to pay it for completed performance to the date.

In these circumstances, the company recognizes revenue over a period, and if that is not the case, revenue is recognized at a point in time for the sale of goods, and revenue is usually recognized at a point in time.

Determine the transaction price

The company has to determine the price of the transaction in its agreement with customers, using this judgement, the company estimates the impact of any variable contract price on the contract due to discount, fines, any significant financing component in the contract, or any non-cash contract.

Control transfer in contracts with customers

If the company determines the performance obligations satisfaction at a point of time, revenue is recognized when control of related contract' assets are transferred to the customer.

Allocation of the transaction price of performance obligation in contracts with customers

The company elected to apply the input method to allocate the transaction price to performance obligations accordingly that revenue is recognized over a period of time, the company considers the use of the input method, which requires recognition of revenue based on the company's efforts to satisfy performance obligations, provides the best reference to the realized revenue. When applying the input method, the company estimates efforts or inputs to satisfy a performance obligation, in addition to the cost of satisfying a contractual obligation with customers, these estimates include the time spent on service contracts.

Revenue streams	**Revenue recognition**
Renting marine units	At point of time
Supplying food for marine unit's crew and other revenues	At point of time

Revenue from renting marine units

Revenue is measured based on considerations specified in contracts with customers and excludes amounts collected on behalf of third parties. The company recognizes revenue when the service is provided to the customer, on delivery to the customer.

If the consideration promised in the contract includes a variable amount, the company estimates what fees it is entitled to for services rendered to the customer.

Revenue from contracts

Revenue is measured based on considerations specified in contracts with customers and excludes amounts collected on behalf of third parties. The company recognizes revenue when the good is delivered to the customer, on delivery to the customer.

If the consideration promised in the contract includes a variable amount, the company estimates what it is entitled to in exchange for transferring the promised goods or services to the customer.

3.2.2 Leases

At the beginning of the contract, the company assesses whether the contract includes lease arrangements, and in relation to such arrangements, the company recognizes the right of use assets and lease contracts liabilities except for short-term lease contracts and low-value asset contracts as follows:

As for a lessor, he shall classify each lease contract either as an operating lease or a finance lease contract.

As for the finance lease, a lessor must recognize the assets held under a finance lease contract in the Statement of Financial Position and present them as amounts receivable with an amount equivalent to the amount of the net investment in the lease contract.

As for operating leases, a lessor must recognize the lease payments of operating lease contracts as income either based on the straight-line method or based on any other regular basis.

The company recognized the right of use assets on the initial adoption's date, (right of use assets are measured at cost, less any accumulated losses from impairment and accumulated amortization, accordingly, to be adjusted as a result of any revaluation of the lease liabilities, cost of right of use assets includes the amount of recognized lease contracts liabilities, the initial direct costs incurred and lease payments on or before the start date less any rental incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Company by the end of the lease term or the cost of the right-of-use asset reflects that the Company will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability

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

3.3 Basis of measurement

The financial statements have been prepared on the historical cost basis except for the following material item in the balance sheet:

Non-derivative financial instruments at fair value through profit or loss are measured at fair value.

3.3.1 Use of estimates and judgments

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

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

3.4 Measurement of fair values

A number of the Company's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

The Company has an established control framework with respect to the measurement of fair values. This includes a valuation team that has overall responsibility for overseeing all significant fair value measurements, including fair values, and reports directly to the chief financial officer.

The valuation team regularly reviews significant unobservable inputs and valuation adjustments. If third party information, such as broker quotes or pricing services, is used to measure fair values, then the valuation team assesses the evidence obtained from the third parties to support the conclusion that these valuations meet the requirements of EAS, including the fair value hierarchy in which the valuations should be classified.

Significant valuation issues are reported to the Company's audit committee.

When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible.

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

(All amounts are in US dollar unless otherwise stated)

4. Operating revenues

	2021	2020
Revenues from renting marines' units	37 023 961	44 364 909
Revenues from subsidiaries	3 196 065	-
Revenues from supplying goods	1 218 856	-
	41 438 882	**44 364 909**

5. Operating costs

	2021	2020
Salaries & wages	21 701 613	21 556 433
Spare parts & utilities	4 753 376	6 708 696
Amortization of intangible assets	10 000	10 000
Depreciation of PP&E. - Note No. (10)	14 623 192	15 647 009
Insurance expense	2 674 750	2 130 020
Operating cost - Abu Dhabi branch	-	9 347 947
Suppliers and others	7 225 731	214 306
	50 988 662	**55 614 411**

6. Administrative expenses

	2021	2020
Salaries & wages	6 414 482	6 868 285
Spare parts, utilities & insurance expense	3 225 533	2 636 589
Amortization of intangible assets	20 713	32 182
Depreciation of PP&E. - Note No. (10)	420 067	360 653
Administrative expenses - Abu Dhabi branch	-	967 702
	10 080 795	**10 865 411**

7. Other expenses

	Note	2021	2020
Provisions	20-1	7 560 930	67 059
Impairment on trade receivables	20-2	1 452 827	22 235 105
Impairment on PP&E		-	438 271
Impairment on debtors and other debit balances	20-2	271 694	384 141
Loss on sale of PP&E		-	2 104 743
		9 285 451	**25 229 319**

(All amounts are in US dollar unless otherwise stated)

8. Net finance income / (cost)

	2021	2020
Credit interest	35 764	84 005
Finance income	**35 764**	**84 005**
Interest on loans	(14 443 501)	(16 803 691)
Finance cost	**(14 443 501)**	**(16 803 691)**
Foreign exchange translation differences	(182 690)	(85 038)
Loss from foreign exchange translation	**(182 690)**	**(85 038)**
Net finance cost	**(14 590 427)**	**(16 804 724)**

9. Losses per share

The Company presents basic earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the year, adjusted for own Shares held.

	2021	2020
Net loss for the year (U.S)	(43 268 495)	(63 968 956)
Number of outstanding shares during the year	470 255 740	470 255 740
Basic & diluted loss per share for the year (US dollar /share)	**(0,092)**	**(0,136)**

(All amounts are in US Dollar unless otherwise stated)

10. Property, plant and equipment (Net)

	Land	Marine units*	Marine Refurbishment	Machinery	Buildings and Improvements	Means of transportation	Furniture & office equipment	Total
Cost								
Cost at 1 January 2020	2 400 992	428 904 384	44 998 189	9 222 862	9 284 115	893 803	2 499 904	498 204 249
Additions during the year	–	–	2 883 667	690 153	476 585	-	68 265	4 118 670
Disposals during the year	(2 400 992)	(32 056 922)	(8 030 218)	(300 319)	(6 267 664)	-	(12 544)	(49 068 659)
Cost at 31 December 2020	**-**	**396 847 462**	**39 851 638**	**9 612 696**	**3 493 036**	**893 803**	**2 555 625**	**453 254 260**
Cost at 1 January 2021	-	396 847 462	39 851 638	9 612 696	3 493 036	893 803	2 555 625	453 254 260
Additions during the year	-	-	3 527 207	-	-	-	20 774	3 547 981
Cost at 31 December 2021	**-**	**396 847 462**	**43 378 845**	**9 612 696**	**3 493 036**	**893 803**	**2 576 399**	**456 802 241**
Depreciation and impairment loss								
Accumulated depreciation and impairment at 1 January 2020	-	126 929 314	30 467 294	9 035 124	6 168 650	893 803	2 171 771	175 665 956
Depreciation for the year	-	9 321 743	6 214 200	153 775	210 021	-	107 923	16 007 662
Impairment loss for the year	-	-	-	-	438 271	-	-	438 271
Accumulated depreciation of disposals during the year	-	(32 056 922)	(7 688 481)	(296 733)	(790 063)	-	(4 222)	(40 836 421)
Impairment reversal	-	-	-	-	(4 486 704)	-	-	(4 486 704)
Accumulated depreciation and impairment at 31 December 2020	**-**	**104 194 135**	**28 993 013**	**8 892 166**	**1 540 175**	**893 803**	**2 275 472**	**146 788 764**
Accumulated depreciation and impairment at 1 January 2021	-	104 194 135	28 993 013	8 892 166	1 540 175	893 803	2 275 472	146 788 764
Depreciation for the year	-	9 321 743	5 202 107	201 175	148 674	-	169 560	15 043 259
Accumulated depreciation and impairment at 31 December 2021	**-**	**113 515 878**	**34 195 120**	**9 093 341**	**1 688 849**	**893 803**	**2 445 032**	**161 832 023**
Net Carrying amounts at 31 December 2021	**-**	**283 331 584**	**9 183 725**	**519 355**	**1 804 187**	**-**	**131 367**	**294 970 218**
Net Carrying amounts at 31 December 2020	**-**	**292 653 327**	**10 858 625**	**720 530**	**1 952 861**	**-**	**280 153**	**306 465 496**

	Note	31/12/2021	31/12/2020
Operating cost	5	14 623 192	15 647 009
Administrative expenses	6	420 067	360 653
		15 043 259	**16 007 662**

(All amounts are in US dollar unless otherwise stated)

* The company has mortgaged some of its marine units as a guarantee for the loans that were obtained to finance the construction of the new marine units.
First: Mortgaging marine units No. (208 and 212) to Arab International Bank as a guarantee of the credit facilities granted to the company

Second: Mortgaging marine units No. (42, 43, 229, 230, 231, 232, 510, 515, 518, 519, 520, 521, 522, 601, 602, 701, 702, 703, 704, 32, 35, 36 and 601 MWM) to Abu Dhabi Islamic Bank as a guarantee of the loan granted to the company.

Third: Mortgaging marine unit No. (4000) (to The National Bank of Egypt)

Fourth: Mortgaging Maridive Dahr-1 and Maridive Dahr-2 to Mashreq Bank (agent for the European Bank for Reconstruction and Development)

Fifth: Mortgaging the marine unit (Harmonyado) according to the contract with Global Lease Financial Leasing Company.

11. Projects under construction

	31 December 2021	31 December 2020
Down payments for purchasing PP&E and marine units	3 245 557	4 915 382
	3 245 557	**4 915 382**

12. Investment in subsidiaries

	Contribution Percentage %	31 December 2021	31 December 2020
Valentine Maritime Ltd	100%	170 826 600	170 826 600
Maritide Offshore Oil Services	99.46%	11 248 155	11 248 155
Ocean Marine	64.30%	29 005 662	29 005 662
Maridive Offshore Projects	99.98%	25 808 996	25 808 996
		236 889 413	**236 889 413**

13. Intangible Assets

	31 December 2021	31 December 2020
Cost on 1 January	650 774	584 339
Additions during year	-	66 435
Cost at end of the year	**650 774**	**650 774**
Accumulated amortization on 1 January	(552 040)	(509 858)
Amortization for the year	(30 713)	(42 182)
Cost at end of the year	**(582 753)**	**(552 040)**
Net at end of the year	**68 021**	**98 734**

(All amounts are in US dollar unless otherwise stated)

14. Finance lease contracts

According to the requirements of the Egyptian Accounting Standards no. 49 for 2019 related to lease contracts, the application for standard no. 49 is the beginning of the annual report at which the law for finance leasing no. 95 for 1995 was cancelled and the issue of law organizing financial leasing and discounting no. 176 for 2018. For lease contracts which were liable to law no. 95 for 1995 and were treated according to the Egyptian Accounting Standard no. 20, the result from such change made during 2019 was as follows:

Lands (cost)	2 400 992
Buildings (cost)	8 693 648
Equipment (cost)	4 485 732
Accumulated depreciation	5 193 611
Liabilities from lease contracts	11 424 285
Prepaid expenses	4 877 639
Accrued Revenue	6 723 250
Impairment	5 221 354
Adjustments to retained earnings	2 584 822

14.1 Liabilities from lease contracts

	31 December 2021	31 December 2020
Lease liabilities – current portion (included in the creditors and other credit balances) – Note no. (20)	2 190 188	1 528 501
Lease liabilities - non-current portion	6 094 231	7 258 212
	8 284 419	**8 786 713**

Payments for lease contract liability are being paid as follows:

	31 December 2021		31 December 2020	
	Liabilities principle	**Interest payments**	**Liabilities principle**	**Interest payments**
Less than year	2 190 188	637 721	1 528 501	733 734
More than year and less than two years	1 270 717	489 180	1 164 497	587 069
More than two years	4 823 514	694 070	6 093 715	1 183 202
	8 284 419	**1 820 971**	**8 786 713**	**2 504 005**

15. Trade receivables

	Notes	31 December 2021	31 December 2020
Trade receivables		61 942 760	64 120 590
Less:			
Impairment on trade receivables	21-2	(45 123 456)	(43 695 505)
		16 819 304	**20 425 085**

(All amounts are in US dollar unless otherwise stated)

16. Other debit balances

	Notes	31 December 2021	31 December 2020
Accrued revenue		69 853	166 359
Suppliers – Advance payments		1 876 082	1 879 268
Employee's custodies		1 069 500	1 215 009
Prepaid expenses		264 705	282 618
General Authority for Investment and Free Zone (GAFI)		525 673	525 673
Insurance claims		77 717	100 512
Other		2 042 091	1 032 717
		5 925 621	**5 202 156**
Less:			
Impairment on debit and other debit balances	21-2	(1 326 350)	(1 054 656)
		4 599 271	**4 147 500**

17. Cash and cash equivalent

	31 December 2021	31 December 2020
Current account – Bank	146 332	571 297
Cash on hand	734	17 171
Cash and cash equivalent in cash flows statement	**147 066**	**588 468**

18. Short term bank facilities

The balances of short - term bank facilities as of December 31, 2021 amounted to USD 18 791 649 (USD 17 676 913 as of December 31, 2020). It should be noted that the company did not obtain new bank facilities during the year ended at December 31, 2021.

The following is a statement of the banks dealt with during the financial year, as well as the balances related to them on the date of the financial position as of December 31, 2021 and included in current liabilities in the statement of financial position:

	31 December 2021	31 December 2020
1-Arab International Bank	12 075 834	11 060 152
2-Qatar National Bank-QNB	5 537 227	5 227 328
3-Emirates NBD	692 615	599 388
4-The National Bank of Egypt	394 584	653 451
5-Other banks	91 389	136 594
	18 791 649	**17 676 913**

1- Arab International Bank

A credit facility in the amount of USD 10 million in addition to a current debit limit of EGP 70 million to finance the company's ongoing operations for the purchase of spare parts, and it is used to issue bank transfers for the suppliers and supplies related to the activity under the following conditions:

A- The credit facility is due for payment within a maximum period of 18 months from the date of withdrawal, with a debit interest of 4.5% annually above the six-month labor rate, paid monthly on the US dollar, and a debit interest at the rate of 2.75%, in addition to the corridor price, paid monthly for the Egyptian pound, and the highest debit balance commission at the rate of 0.075%.

B- Facilitating the issuance of initial and final letters of guarantee and an advance payment for participants in tenders in the amount of USD 2 million at a commission of 0.75%.

2- Qatar National Bank Al Ahli – QNB

A debit current limit of a maximum of $5 million in order to finance the company's working capital requirements at a debit rate of 4% above the three-month labor rate.

3- Emirates NBD Bank

A credit facility of 10 million Egyptian pounds for the purpose of financing the company's working capital requirements, and the duration of the facility is one year, at a rate of return of 3.5%, in addition to the overnight loan interest with the Central Bank for the Egyptian pound.

4- National Bank of Egypt

A debit current limit of USD 5 million for the purpose of withdrawing into a debit current account to finance the company's current activity and pay bills payable to domestic and foreign suppliers.

These facilities, for the duration of the contract's validity period, bear a debit interest in US dollars at a margin of 4% over the three-month labor rate.

19. Long term loans

	Loan principle	Short term loans installment	Long term loans installment	31/12/2021	31/12/2020
1-Abu Dhabi Islamic Bank – UAE	225 000 000	48 665 092	97 330 185	145 995 277	145 995 277
2-HSBC Bank	19 000 000	702 258	-	702 258	827 582
3- European Bank for Reconstruction and Development	50 000 000	11 325 877	15 876 134	27 202 011	28 681 343
4- Abu Dhabi Islamic Bank - UAE	25 000 000	-	25 000 000	25 000 000	25 000 000
5- Attijari wafa Bank	3 500 000	287 085	2 342 537	2 629 622	2 846 855
Total loans		**60 980 312**	**140 548 856**	**201 529 168**	**203 351 057**
Less:					
Loan acquiring cost		(1 467 763)	(4 770 234)	(6 237 997)	(7 536 284)
		59 512 549	**135 778 622**	**195 291 171**	**195 814 773**

1- Abu Dhabi Islamic Bank - UAE

On January 15, 2016, the company's board of directors agreed to conclude an Islamic facility contract with Abu Dhabi Islamic Bank - UAE - with a maximum amount of USD 225 million (two hundred twenty-five million US dollars) to restructure the existing facilities and finance the purchase of new marine units in addition to the amount of USD 25 million (twenty-five million US dollars) to finance the working capital of the company, including all interests, commissions, expenses, costs and any other amounts due to lenders in accordance with the aforementioned credit facility contract between the company and both Abu Dhabi Islamic Bank (UAE) and a group of other banks and financial institutions and the conclusion of documents to ensure the implementation of the company's obligations under the Islamic facility contract according to the following:

a. The interest rate is 4.5% in addition to the labor rate (three months), which is the same as the current interest rate.

B. Paid 80% of the loan amount over seven years and pay the remaining 20% as a single payment at the end of the loan term.

c. Any payments from the company's cash surplus over the term of the loan are deducted from the above-mentioned 45%.

d. The loan contract includes some financial commitments that the company must abide by as follows:

1. The debt service coverage ratio shall not be less than 1.2:1
2. The interest coverage ratio shall not be less than 2.5:1
3. The net leverage ratio shall not be more than 6:1
4. The debt to equity ratio shall not be more than 1.5:1

- On January 31, 2021, the company communicated the group of joint banks with the amended financial studies to restructure the current facilities in line with the company's current situation, and the studies are still within the scope of review by the joint banks and their financial analysts.
- During the subsequent period, the company addressed the bank to obtain a letter of forgiveness for non-compliance with the above financial commitments, and the bank accepted the company's request on January 24, 2022 by e-mail.

2- HSBC Bank

The company has entered into a financing contract with HSBC, a medium-term loan of $19 million. This loan is subject to a financing return calculated based on the labor rate every three months, in addition to a margin of 4.5% annually, and the loan is repaid in 28 monthly installments.

3- European Bank for Reconstruction and Development

On April 13, 2017, a loan contract was signed with the European Bank for Reconstruction and Development in the amount of 50 million US dollars in 3 tranches as follows:

a. The first tranche in the amount of $25 million to complement the uncompleted portion of the syndicated loan previously arranged by a bank

Abu Dhabi Islamic This segment is concerned with financing the company's expansion plan to purchase new marine units.

B. The second tranche in the amount of $15 million is to repay part of Abu Dhabi Islamic Bank's share of the syndicated loan.

c. The third tranche is in the amount of $10 million to finance the company's working capital.

- The loan contract includes some financial commitments that the company must comply with as follows: -

1. The debt service coverage ratio shall not be less than 1.2:1
2. The interest coverage ratio shall not be less than 2.5:1
3. The net leverage ratio shall not be more than 6:1
4. The debt-to-equity ratio shall not be more than 1.5:1

4- Abu Dhabi Islamic Bank - UAE

A medium-term loan for financing working capital and issuing letters of guarantee for an amount not exceeding 25 million US dollars, with the same terms and guarantees of the syndicated loan.

(All amounts are in US dollar unless otherwise stated)

5- Attijari wafa bank (formerly Barclays)

A medium-term loan of 3.5 million US dollars to finance working capital requirements at an annual interest rate of 3% above the LIBOR rate in 3 months and a commission on the highest debit balance of 0.05% per month, to be paid in 25 monthly installments.

Classification of loans from Abu Dhabi Islamic Bank - UAE and the European Bank for Reconstruction and Development.

The loans of Abu Dhabi Islamic Bank - UAE and the European Bank for Reconstruction have been classified into short-term loan installments and long-term loan installments, as the company's management believes that the effects of the spread of the new Corona virus and the precautionary measures that affected the global economy as well as the company and based on the periodical books issued by the Central Bank of Egypt To confront the Corona virus, which includes the postponement of all credit dues without applying additional returns or late fines for non-payment. The company has any official request from the lending banks to repay the entire debt until the date of approval of the financial statements, as well as the procedures being taken by the company to reschedule those credit dues.

The total credit facilities, loans and lease commitments are as follows:

	31 December 2021
Non-current portion	141 872 853
Current portion	80 494 386
	222 367 239

The following table shows the movement in credit facilities, loans and lease obligations during the financial year ended in:

	31 December 2021
Balance at Jan 1,	**222 278 399**
Non-current portion	162 569 233
Current portion	59 709 166
	222 278 399
Finance interest- credit facilities and loans-P&L	15 959 688
Interest from lease liabilities Finance interest accrued from credit facilities, loans and lease commitments	733 979
Net proceeds from loans, credit facilities and interest paid	(5 021 250)
Finance interest accrued from credit facilities, loans and lease liability	(11 583 577)
Balance at December 31,	**222 367 239**
Current portion	141 872 853
Non-current portion	80 494 386
	222 367 239

(All amounts are in US dollar unless otherwise stated)

20. Creditors and other credit balances

	Notes	31 December 2021	31 December 2020
Tax Authority- payroll tax		10 665 908	11 401 921
Tax Authority- Withholding tax		31 025	10 328
Accrued expenses		34 200 128	22 603 075
Finance lease liabilities – Current portion	14-1	2 190 188	1 528 501
Trade receivables – advance payments		19 903 627	20 012 595
Social Insurance Authority		1 253 415	508 652
Other		311 574	286 881
		68 555 865	**56 351 953**

21. Provisions and impairment on assets

21-1 Provisions

	Balance on 01/01/2021	Charged to statement of profit or loss	Used during the year	Balance on 31/12/2021
Provision for expected claims*	228 305	7 560 930	(6 381)	7 782 854
	228 305	**7 560 930**	**(6 381)**	**7 782 854**

*Provisions represent probable but uncertain liabilities with unspecified timing and value in connection with the Company's activities, management reviews these provisions periodically and adjusts the value of the provision according to the latest developments, discussions and agreements.

The usual disclosures about provisions have not been disclosed in accordance with IAS 28 "Provisions for contingent assets and liabilities" as the Company believes that doing so may seriously affect the outcome of negotiations with the counterparties.

21-2 Impairment on assets

	Balance on 01/01/2021	Charged to statement of profit or loss	Used during the year	Balance on 31/12/2021
Impairment on PPE	1 172 920	-	-	1 172 920
Impairment on trade receivables	43 695 505	1 452 827	(24 876)	45 123 456
Impairment on other debit balances	1 054 656	271 694	-	1 326 350
	45 923 081	**1 724 521**	**(24 877)**	**47 622 726**

22. Capital

Authorized capital

The Company's authorized capital is determined to be one billion US dollar, according to Eextraordinary Ggeneral Assembly meeting held on September 16, 2019 has decided to increase the Company's authorized capital from USD 200 Million (two hundred million US dollar) to USD 1 Billion (one billion US dollar) and approved the increase in the commercial register on December 16, 2019 and published the changes in the articles in the Egyptian Gazette under no 57668 on December 25, 2019.

Issued and paid - up capital

The issued and paid-up capital USD 188 102 296 divided among 470 255 740 shares (Only Four Hundred Seventy Million Two Hundred Fifty Five Thousand Seven Hundred Forty Dollars) with a par value of 40 cents each.

According to extraordinary general meeting held on September 16, 2019 approval was made for the increase in the company's issued capital from USD 163 840 000 to USD 188 102 296 with an increase of USD 24 262 296 distributed over 60 655 740 shares for each share (USD 0.61) (Representing USD 0.40 par value and USD 0.21 for a premium totaling USD 12 737 704) representing 37 Million US dollars. All increase was allocated to Mr. Negad Zaini without applying the rights of the existing shareholders. The company completed the legal procedures for such increase and recorded in the commercial register on December 16, 2019 under no. 6501 and changes in the articles of incorporation were published in the Egyptian Gazette issue no 57668 on December 25, 2019. On December 26, 2019 approval was made by the committee for recording the financial investments in its meeting dated December 25, 2019 for the increase in issued and paid up capital.

(All amounts are in US dollar unless otherwise stated)

23. Transactions with related parties

Related parties' transactions represent transactions with the Company's shareholders and the companies in which they own shares that give them significant influence.
The following table shows the volume and nature of transactions with related parties during the year as well as balances as of 31 December 2021.

	Type of relation	Nature of transactions	Transaction's volume during the year Debit	Credit	31/12/2021	31/12/2020
23.1 Due from subsidiaries' companies						
Ocean Marine FZC	Subsidiary	Operating revenue	16 872 927	18 254 914	23 742 953	25 124 940
Valentine Maritime Limited	Subsidiary	Current	1 618 798	1 122 605	2 558 065	2 061 872
Maritide Offshore Oil Services S.A.E.	Subsidiary	Marine unit rental	11 067 425	11 622 440	664 536	1 219 551
Maridive Tunisia	Subsidiary	Current	572 435	344 716	1 526 614	1 298 895
Maritide Nigeria	Subsidiary	Current	-	3 126	35 424	38 550
					28 527 592	**29 743 808**
23.2 Due to related parties						
National Transport & Overseas Services Co.	Affiliated	Current	11 810	9 509	9 108	11 409
Accounts due to board of directors' members	Board of directors	Current	260 288	4 293 301	13 322 282	9 289 269
El Rowda for agriculture and animal development	Affiliated	Current	1 852	1 249	-	603
					13 331 390	**9 301 281**
23.3 Due to subsidiaries' companies						
Maridive Offshore Projects S.A.E.	Subsidiary	Operating revenue Consultations Diving services	5 311 206	5 446 773	24 564 421	24 428 854
					24 564 421	**24 428 854**

(All amounts are in US dollar unless otherwise stated)

24. Tax position

Corporate income tax

- According to the company's tax card, the company is exempt from tax on the profits of legal persons in accordance with the provisions of the applicable tax and fee laws in the Arab Republic of Egypt, within the limits of the purpose mentioned in the tax card, noted that the license period is ten years from July 21, 2002 until July 20, 2012, and according to the letter received from the authority The General Investment and Free Zones Authority, dated July 17, 2012 and approved on July 16, 2012, which includes the extension of the license to practice the activity for a period of five years starting from July 20, 2012 to end on July 20, 2017.
- The license to practice the activity has been extended for a period of five years starting from July 20, 2017, in accordance with Resolution No. 27 of 2017 issued by the General Authority for Investment and Free Zones, dated August 21, 2017.

Salary tax

Years till 2012

- The company has been paid its dues till 2012.

Years 2013 till 2014

- The years 2013-2014 was inspected by the tax Authority.

Years 2015 till 2019

- The Tax Authority examined the years from 2015 to 2019, and since the company has not paid the work-earning tax withheld from employees since 2013, the examination result for the years 2015 to 2019 was as follows:

1. Salary taxes for the years from 2015 to 2019: 150 693 884 Egyptian pounds.

2. Delay fines for salary taxes for the years from 2015 to 2019: 102 477 545 Egyptian pounds

Thus, the total amount required to be paid by the company is 253 171 429 Egyptian pounds.

The company is currently scheduling the dues with the Tax Authority and periodically repaying parts of the indebtedness to the Tax Authority. The company has formed the required provision for these potential obligations.

Years from 2020 till 2021

- The years 2020-2021 is not yet inspected by the tax Authority.

25. Contingent liabilities

	Total commitment 31/12/2021	Commitment performed 31/12/2021	Outstanding commitment 31/12/2021	Outstanding commitment 31/12/2020
Letters of guarantee	4 713 242	1 288 043	3 425 199	5 452 477
	4 713 242	**1 288 043**	**3 425 199**	**5 452 477**

(All amounts are in US dollar unless otherwise stated)

26. Financial instruments

Financial risk management

Overview

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

- Credit risk
- Liquidity risk
- Market risk

Risk management framework

The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The audit committee is responsible for developing and monitoring the Company's risk management policies. The committee reports regularly to the Board of Directors on its activities.

The Company's risk management policies are established to identify and analyze the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Company's audit committee oversees how management monitors compliance with the Company's risk management policies, procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. The Company's audit committee is assisted in its oversight role by Internal Audit. Internal Audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the audit committee.

Credit risk

Credit risk is the risk of financial loss to the company if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the company's customers and investment securities.

The carrying amount of financial assets represents credit exposure. The exposure to credit risk at the end of the reporting period was as follows:

	Note	31 December 2021	31 December 2020
Trade receivables	15	16 819 304	20 425 085
Debtors and other debit balances	16	3 784 834	3 040 270
Due from subsidiaries companies	23-1	28 527 592	29 743 808
Cash at bank	17	146 332	571 297
		49 278 062	**53 780 460**

Trade and other receivables

Creditworthiness for Trade and other receivables based on a credit policy set by the Board of Directors Committee.

The company monitoring the credit risk of the customers by collecting debtors and other debit balance according to their classifications, credit position and the guarantees provided by him. And customer balances are more than 60 days, most of which represent the balances of government agencies.

(All amounts are in US dollar unless otherwise stated)

Cash and cash equivalents

The Company held cash and cash equivalents of USD 146 332 on December 31, 2021 (December 31, 2020: USD 571 297), which represents its maximum credit exposure on these assets. The cash and cash equivalents are held with bank and financial institution counterparties.

Liquidity risk

Liquidity risk is the risk that the company will not be able to meet its financial obligations as they fall due. The company's approach to managing liquidity is to ensure, as far as possible, that it will always have Sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the company's reputation.

The Company uses activity-based costing to cost its products and services, which assists it in monitoring cash flow requirements and optimizing its cash return on investments. The Company aims to maintain the level of its cash and cash equivalents and at an amount in excess of expected cash outflows on financial liabilities Except creditors for the period of time 60 days.
The Company also monitors the level of expected cash inflows on debtors and other debit balances together with expected cash outflows on creditors and others credit balances, at December 31, 2021,

The maturity dates of financial obligations according to the expected repayment schedules are as follows:

December 31, 2021	Book value	12 months or less	1-2 Years	2-5 Years
Bank - credit facilities	18 791 649	18 791 649	-	-
Loans	195 291 171	59 512 549	135 778 622	-
Suppliers, notes payable & other credit balances	65 387 497	65 387 497	-	-
Due to related parties and subsidiaries	37 895 811	37 895 811	-	-
	317 366 128	**181 587 506**	**135 778 622**	-

December 31, 2020	Book value	12 months or less	1-2 Years	2-5 Years
Bank - credit facilities	17 676 913	17 676 913	-	-
Loans	195 814 773	40 503 752	155 311 021	-
Suppliers, notes payable & other credit balances	52 103 993	52 103 993	-	-
Due to related parties and subsidiaries	33 730 135	33 730 135	-	-
	299 325 814	**144 014 793**	**155 311 021**	-

Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters while optimizing the return. The company incurs financial liabilities, in order to manage market risks. All such transactions are carried out within the guidelines set by B.O.D committee.

Interest rate risk

Interest rate risk is represented in fluctuation of interest rates on the facilities granted to the company by the banks. This risk is covered through getting the best available interest rate in the market on the credit facilities as well as determining fixed interest rate on the loans.

Capital management

The Board's policy is to maintain a strong capital base to maintain investor, creditor and market confidence and to sustain future development of the business. The Board of Directors monitors the return on capital, which the company defines as net operating income divided by total shareholders' equity. The Board of Directors also monitors the level of dividends to shareholders. There were no changes in the company's approach to capital management during the year.

Currency risk

The company is exposed to currency risk on sales and financial assets that are denominated in a foreign currency. The currency in which these transactions are primarily denominated is the US Dollars and Euro.

In respect of monetary assets and liabilities denominated in other foreign currencies, the company ensures that its net exposure is kept to an acceptable level by buying or selling foreign currencies at spot rates when necessary to address short-term imbalances.

27. Comparative figures

Certain comparative figures have been reclassified to conform with the current period's classification.

28. Statement of Cash flow

Some of the transactions were eliminated when preparing the cash flow statement as these transactions are considered non-cash transactions

29. Going concern

The company has a net loss of USD 43 268 495 for the year ended December 31, 2021, while current liabilities exceeded current assets by an amount of USD 155 103 775, and these circumstances, in addition to other matters detailed in Note No. (19) indicate the existence of a significant uncertainty that may lead to a doubt in the company's ability to continue.

The company is currently evaluating the current situation of the group and the extent of the company's ability to fulfill its contracts and obligations with customers and banks.

30. Significant accounting policies

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

30.1 Foreign currency

Foreign currency transactions

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

Non-monetary assets and liabilities that are measured at fair value in a foreign currency are retranslated to the functional currency at the exchange rate at the date that the fair value was determined. Non-monetary items in a foreign currency that are measured based on historical cost are translated using the exchange rate at the date of the transaction.

Foreign currency differences arising on retranslation are generally recognized in profit or loss.

Foreign currency differences arising on retranslation are generally recognized in profit or loss except for the translation related to financial statements are recognized in the other comprehensive income.

30.2 Financial instruments

Non-derivative financial assets

The initial recognition of loans, receivables and deposits on the date of their inception. All other financial assets (including assets at fair value through profit or loss) are recognized first on the date of the transaction, at which time the Company is a party to the contractual provisions of the instrument.

The company excludes the financial asset when its contractual rights to the cash flows of this asset expire, or it transfers the right to receive the contracted cash flows of this asset in a transaction through which all the risks and returns of ownership of this financial asset are transferred. Any interest in such a transferred financial asset that may arise or be retained by the Company is recognized as an asset or a liability separately.

Financial assets and liabilities are set off and the net value is shown in the financial position only when the company has the legal right to make this set-off and the intention to settle on the basis of net value or to realize the financial asset and terminate the financial obligation at the same time. The company classifies non-derivative financial assets into the following items: loans and debts.

Loans and debts

Loans and receivables are financial assets with a fixed or determinable repayment date that are not traded in an active market. These assets are initially recognized at fair value, plus transaction costs directly attributable to them. After initial recognition, loans are measured at amortized cost using the effective interest method, and impairment losses are discounted.

In general, receivables and other short-term debit balances without a stated interest rate are measured at their face value (the invoice value) and any provision for doubtful debts is deducted.

It includes loans and receivables, cash and cash equivalents, customers, receivables and other debit balances.

Cash and cash equivalents

Cash and cash equivalents comprise cash balances and time deposits with original maturities of three months or less from the acquisition date that are subject to an insignificant risk of changes in their fair value, and are used by the Company in the management of its short-term commitments.

Non-derivative financial obligations

The first financial obligations issued for indebtedness and subordinated obligations are recognized on the date of their creation. All other financial liabilities at the date of the transaction (including commitments at fair value through profit and loss) are initially recognized when the company is a party to the contractual provisions of the instrument.

The company excludes the financial obligation when it is exempted, canceled or its contractual obligations expire.

The company classifies non-derivative financial liabilities in other financial liabilities. The former is recognized at its fair value, plus transaction costs directly attributable to it. After initial recognition, financial liabilities are measured at amortized cost using the effective interest method, and include financial liabilities, loans and advances, bank overdrafts, suppliers and other credit balances.

Bank overdraft balances paid on demand and which form part of the company's fund management are included as a component of cash and cash equivalents when preparing the statement of cash flows.

30.3 Capital

Authorized Capital

The Company's authorized capital is determined to be USD 1 000 000 000 (1 Billion US Dollar).

Issued and paid up capital

The Company's issued and paid up capital is amounted to USD 188 102 296 divided into 470 255 740 shares at par value 40 Cent each, and have been fully paid and marked on the Commercial Register.

30.4 Property, plant and equipment

Recognition and measurement

Items of property, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labor and any other costs directly attributable to bringing the asset to a working condition for their intended use also, when the Company has an obligation to remove the asset or restore the site, an estimate of the costs of dismantling and removing the items and restoring the site on which they are located and capitalized borrowing costs.

Purchased software that is integral to the functionality of the related equipment is capitalized as part of that equipment .The cost of borrowing related the acquisition, establishment or manufacturing of any asset is recognized in profit or loss when they are incurred.

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

Any gain or loss on disposal of an item of property, plant and equipment (calculated as the difference between the net proceeds from disposal and the carrying amount of the item) is recognized in profit or loss.

Subsequent costs

Subsequent expenditure is capitalized only when it is probable that the future economic benefits associated with the expenditure will flow to the Company and highly accuracy measurement . Ongoing repairs and maintenance is expensed as incurred

(All amounts are in US dollar unless otherwise stated)

Depreciation
Items of property, plant and equipment are depreciated on a straight-line basis over the estimated useful lives of each component. Land is not depreciated.
The estimated useful lives as follows:

Class	Useful life after adjustments
Buildings	%2
Decorations & exhibition equipment	%10
Marine units	%2,5
Marine refurbishments	%40 - %20
Tools and Equipment	%20
Means of transportation	%20
Furniture & office equipment	%15

The depreciation of the asset begins when the asset is usable for the purpose for which it was intended. On the date of the financial statements, the methods of depreciation, the useful lives of the assets and their residual value are reviewed.

During the year 2015, the productive lives of the company's fixed assets were re-estimated for the marine units item, in accordance with the decision of the Board of Directors. January 2015.

30.5 Projects under construction

Expenditures incurred on purchasing and constructing fixed assets are initially recorded in projects under construction until the asset is completed and becomes ready for use. Upon the completion of the assets, all related costs are transferred to fixed assets. Projects under construction are measured at cost less accumulated impairment losses. No depreciation is charged until the project is completed and transferred to fixed assets.

30.6 Intangible assets

Intangible assets are measured at cost, which is the cash price at the date of recognition. In the event of deferment of payment for periods exceeding the normal credit period, the difference between the cash price and the total amount paid is recognized as interest. Intangible assets are presented net of depreciation and impairment losses. Subsequent expenditures on the acquisition of intangible assets are capitalized only when such expenditures increase the future economic benefits of the asset or assets. All other expenses are charged to the income statement when incurred. Intangible assets are depreciated on a straight line basis over the useful lives of the intangible assets. If the useful life of intangible assets is indefinite, impairment testing is performed on a regular basis at each balance sheet date. Intangible assets are depreciated from the date on which they are available for use and have an estimated useful life of 5 years.

30.7 Investment in subsidiaries

Investments in subsidiaries are accounted for in the company's separate financial statements using the cost method, whereby investments in subsidiaries are recognized at acquisition cost less impairment in value. The impairment is estimated for each investment separately and is recorded in the statement of profit and loss. Subsidiaries are the companies controlled by the company when the investor achieves all of the following:

- Authority over the investee.
- Exposure or the right to variable returns through its participation in the investee.
- The ability to use its power over the investee to influence the amount of returns it receives from it.

The company shall reassess control over the investee if facts and circumstances indicate that there are variables to one or more of the three elements of control mentioned above.

For subsidiaries "structured entities", there is no cost recognized in the company's separate financial statements, so the nature and risks of these subsidiaries "structured entities" are disclosed in the company's separate financial statements as related parties.

30.8 Inventories

The inventory of spare parts and fuel is recorded at cost and the cost of the inventory includes the purchase price and all other expenses related to spare parts until they reach the stores, and the cost of inventory is determined according to the weighted average method; The cost of inventory is charged to operating costs. Inventory is valued at the end of the year at cost according to the weighted average method or at net realizable value, whichever is lower.

30.9 Impairment

Non - derivative financial assets

A financial asset not classified as at fair value through profit or loss, including an interest in an equity accounted investee, is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset, and that the loss had an negative impact on the estimated future cash flows of that asset that can be estimated reliably.

Non-financial assets

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

For intangible assets that have indefinite useful lives, the recoverable amount is tested annually for impairment.

An impairment loss is recognized if the carrying amount of an asset or cash – generating unit (CGU) exceeds its recoverable amount.

Impairment on financial assets

Group companies assess at each balance sheet date whether there is objective evidence that a financial asset is impaired. Impairment of the value of a financial asset and losses resulting from impairment are borne only if there is objective evidence of impairment as a result of the occurrence of one or more events after the initial recognition of the asset and this event or these events had an impact that can be reliably evaluated on the expected future cash flows of the financial asset. For financial assets carried at amortized cost, the impairment loss is the difference between the carrying amount of those assets and the present value of future cash flows, discounted at the original effective interest rate of the financial asset. The book value of the financial asset is reduced directly, except for customer accounts, which are reduced in value using a provision, and debts that are confirmed not to be collected through this provision are written off.

The value of the losses recognized by the shall be refunded either directly or by settling the allowance account and such cancellation shall not create a book value of the financial asset that exceeds the amortized cost at the date of derecognition of the impairment losses if such impairment losses had not been recognized. The value of the derecognition is recognized in profit or loss. this is. The value of the derecognition is recognized in profit or loss.

In accordance with the decision of the company's board of directors dated June 14, 2017, it was approved to amend the policy of the group companies in the formation of impairment losses related to customer balances to become in accordance with the following:

1- 30% of the invoice balance after one year from the due date of collecting the invoice
2- 30% of the invoice balance after two years from the due date of collecting the invoice
3- 40% of the invoice balance after three years from the due date of collecting the invoice

It should be noted that on May 5, 2018, the resolution was unanimously approved by the company's Ordinary General Assembly

30.10 Provisions

A provision is recognized only when the Group has a present legal or constructive obligation as a result of a past event and an outflow of economic resources is expected to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognized as a provision must express the best estimate of the expenditures required to settle the present obligation at the date of the financial statements, taking into account the risks and uncertainties surrounding the value to be recognized as a provision. When the effect of the time value of money is material, the amount recognized as a provision It is the present value of the amounts expected to settle the obligation. When it is expected that some or all of the expenses required to settle a provision will be recovered from another third party, the reimbursement is recognized as an asset when it is certain that the reimbursement will take place, with the possibility of reliably measuring the reimbursement amount.

30.11 Dividends

Dividends are recognized as a liability in the period in which the distribution is announced.

30.12 Employee benefits

Defined contribution plans

The company contributes to the governmental social insurance system for the benefit of its employees in accordance with the Social Insurance Law." According to this law, the employees and the company contribute to the system in a fixed percentage of wages, and the company's obligation is limited to the value of its contribution, and the company's contributions are charged to the income statement according to the accrual principle.

Employees profit share

According to the articles of association, the company pays a percentage of the cash dividends as a share to the employees in the profits in accordance with the rules proposed by the company's board of directors and approved by the general assembly. .

30.13 Revenue

Revenue from contracts with customers is recognized by the company based on five step modules as identified in EAS No. (48):

Step 1: Determine the contract (contracts) with customer: A contract is defined as an agreement between two or more parties that meets the rights and obligations based on specified standards which must be met for each contract.

Step 2: Determine the performance obligations in contract: Performance obligations is a consideration when the goods and services are delivered.

Step 3: Determine the transaction price: Transaction price is the compensation amount that the company expects to recognize to receive for the transfer of goods or services to customer, except for the collected amounts on behalf of other parties.

Step 4: Allocation of the transaction price of the performance obligations in the contract: If the service concession arrangement contains more than one performance obligation, the company will allocate the transaction price on each performance obligation by an amount that specifies an amount against the contract in which the company expects to receive in exchange for each performance obligation satisfaction.

Step 5: Revenue recognition when the entity satisfies its performance obligations.

The company satisfy the performance obligation and recognize revenue over time, if one of the following criteria is met: -

a- Company's performance does not arise any asset that has an alternative use of the company and the company has an enforceable right to pay for completed performance until the date.
b- The company arise or improves a customer-controlled asset when the asset is arising or improved.
c- The customer receives and consumes the benefits of company's performance at the same time as soon as the company has performed.

d- For performance obligations, if one of the above conditions is met, revenue is recognized in the period in which the company satisfies performance obligation.

When the company satisfies performance obligation by providing the services promised, it creates an asset based on payment for the contract performance obtained, when the amount of the contract received from customer exceeds the amount of the revenue recognized, resulting advance payments from the customer (contractual obligation)

Revenue is recognized to the extent that is potential for the flow of economic benefits to the company, revenue and costs can be measured reliably, where appropriate.

The application of Egyptian Accounting Standard No. 48 requires management to use the following judgements:

Satisfaction of performance obligation

The company should assess all contracts with customers to determine whether performance obligations are satisfied over a period or at a point in time in order to determine the appropriate method for revenue recognition. The company estimated that, and based on the agreement with customers, the company does not arise asset has alternative use to the company and usually has an enforceable right to pay it for completed performance to the date.

In these circumstances, the company recognizes revenue over a period, and if that is not the case, revenue is recognized at a point in time for the sale of goods, and revenue is usually recognized at a point in time.

Determine the transaction price

The company has to determine the price of the transaction in its agreement with customers, using this judgement, the company estimates the impact of any variable contract price on the contract due to discount, fines, any significant financing component in the contract, or any non-cash contract.

Control transfer in contracts with customers

If the company determines the performance obligations satisfaction at a point of time, revenue is recognized when control of related contract' assets are transferred to the customer.

In addition, the application of Egyptian Accounting Standard No. 48 has resulted in:
Allocation of the transaction price of performance obligation in contracts with customers
The company elected to apply the input method to allocate the transaction price to performance obligations accordingly that revenue is recognized over a period of time, the company considers the use of the input method, which requires recognition of revenue based on the company's efforts to satisfy performance obligations, provides the best reference to the realized revenue. When applying the input method, the company estimates

efforts or inputs to satisfy a performance obligation, in addition to the cost of satisfying a contractual obligation with customers, these estimates include the time spent on service contracts.

Revenue sources	**Revenue recognition**
Marine unit's rental	At point of time
Supplying food for crews of marine units and other revenues	At point of time

Income from renting marine units

Revenue is measured based on considerations specified in contracts with customers and excludes amounts collected on behalf of third parties. The company recognizes revenue when the service is provided to the customer, on delivery to the customer.
If the consideration promised in the contract includes a variable amount, the company estimates what fees it is entitled to for services rendered to the customer.

Contract revenue

Revenue is measured based on considerations specified in contracts with customers and excludes amounts collected on behalf of third parties. The company recognizes revenue when the good is delivered to the customer, on delivery to the customer.
If the consideration promised in the contract includes a variable amount, the company estimates what it is entitled to in exchange for transferring the promised goods or services to the customer.

Credit interest and other income

Credit interest is recognized using the effective interest rate method, and other income is recognized on an accrual basis.

30.14 Expense recognition

Expenses are recognized in profit or loss when there is a decrease in future economic benefits due to a decrease in an asset or an increase in a liability" and can be measured with confidence. This means, in fact, that the recognition of expenses takes place simultaneously with the recognition of an increase in liabilities or a decrease in assets. Expenses are recognized in the income statement on the basis that there is a direct correlation between costs incurred and revenue earned (corresponding to costs with revenue).
When economic benefits are expected to arise over many accounting periods" and the association with income can be determined generally or only indirectly, the expenses must be recognized in the income statement on a regular and reasonable basis for distribution.
The expense is recognized immediately in the income statement "when the expense does not generate any future economic benefits or when the future economic benefits do not qualify" or no longer qualifies; to be recognized as an asset in the financial statements.

30.15 Fair value measurement

A number of the Company's accounting policies and related disclosure requirements require the determination of the fair value of financial and non-financial assets and liabilities. The fair value is determined for measurement or disclosure purposes, and the notes complementing the financial statements of assets and liabilities are disclosed, whenever possible, about any additional information about the assumptions used in determining the fair value in the notes for those assets and liabilities.

Other intangible assets

The fair value of other intangible assets is determined based on the discounted cash flows expected to be obtained from the final use and sale of the assets.

Dividend

Dividends are recognized as a liability in the financial period in which the dividends are approved by the shareholders general assembly meeting

Trade receivables

Trade receivables are initially recognized at fair value and subsequently at amortized cost using the effective interest method less the provision for impairment of those receivables. The provision for impairment of the value of debtors is formed when there is objective evidence that the company will not be able to collect all the amounts due according to the original terms of the contract, and the impairment represents the difference in the book value and the present value of the expected cash flows. The cash flows are discounted using the effective interest rate. The book value is reduced by using the allowance for impairment and the loss is recorded in the income statement. When the balances of trade receivables are not collected, they are written off using the provision created, and when those amounts previously destroyed are collected, they are included in the income statement.

Trade payables

Commercial creditors generally prove the value of the goods and services received from third parties, whether invoices are received for them or not. When this is significant, the goods and services received as well as trade creditors are recognized at the present value of the expected cash outflows using the interest rate of identical loans, and trade creditors are subsequently stated at amortized cost using the effective interest rate method.

30.16 Lease contracts

At the outset of the contract, the company assesses whether the contract is a lease or includes a lease. The contract is a lease or includes a lease if the contract conveys the right to control the use of a specific asset for a period of time in exchange for consideration. To assess whether a lease conveys the right to control the use of a specific asset, the Group uses the definition of a lease in Egyptian Accounting Standard No. (49).

This policy applies to contracts concluded since or after the establishment of the company.

Lessee

On initiation or upon modification of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on a pro-rata basis, however, for real estate leases, the Group has elected not to separate the non-lease components and accounting for the lease and non-lease components as the lease component single.

The Group recognizes a right-of-use asset and a lease liability on the date of the lease inception. The usufruct asset is initially measured at cost, which includes the initial amount of the lease obligation and is settled by any amounts paid on or before the date of the contract inception, plus any initial direct costs incurred and the estimated costs of dismantling and removing the underlying asset or restoring the asset itself or the location in which it is located. The asset, less any rental incentives received.

The usufruct asset is subsequently depreciated using the straight-line method from the date of the contract inception until the end of the lease term, unless the lease transfers ownership of the underlying asset to the group at the end of the lease term, or if the cost of the usufruct asset reflects that the group will exercise the purchase option, In this case, the usufruct asset is depreciated over the useful life of the asset, which is determined on the same basis for real estate and equipment. In addition, the usufruct asset is periodically reduced by the value of the impairment losses, if any, and is adjusted by re-measuring the lease liability.

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

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

The lease payments included in the lease liability measurement consist of the following:
(a) Fixed payments, which include essentially fixed payments.
B- Variable lease payments that depend on an index or a rate, and were initially measured using the index or rate at the start of the lease contract.
C- Amounts expected to be paid by the lessee under residual value guarantees.
(d) the exercise price of a purchase option if the group is reasonably certain to exercise that option, lease payments in the optional renewal period if the group is reasonably certain to exercise an extension option, and penalties for early termination of the lease unless the group is reasonably certain not to terminate early .

The lease liability is measured at amortized cost using the effective interest method. which is re-measured if there are changes in future lease payments resulting from the dust in an index or rate used to determine those payments, if there is a change in the group's estimate of the amount expected to be paid under a residual value guarantee, if the group changes its assessment of whether to exercise a purchase option extension, termination, or if there is a substantially fixed rent payment.

When the lease liability is re-measured in this way, an adjustment is made to the carrying amount of the right of use asset, or it is recorded in profit or loss if the carrying amount of the right of use asset is reduced to zero.

The Group presents right-of-use assets that do not meet the definition of investment property within property, plant and equipment and lease commitments within loans and advances in the statement of financial position.

Short-term leases and leases of small-value assets
The Group has elected not to recognize right-of-use assets and lease liabilities for leases of small value assets and short-term leases, including information technology equipment. The Group recognizes lease payments associated with these leases as an expense on a straight line basis over the term of the lease.