

Qatar Fuel Q.S.C. (WOQOD)
INTERIM CONDENSED CONSOLIDATED
FINANCIAL STATEMENTS

31 March 2014

REPORT ON REVIEW OF INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS TO THE BOARD OF DIRECTORS OF QATAR FUEL Q.S.C (WOQOD)

Introduction

We have reviewed the accompanying interim consolidated statement of financial position of Qatar Fuel Q.S.C (WOQOD) (the “Company”) and its subsidiaries (together referred to as the “Group”) as at 31 March 2014, and the related interim consolidated statements of income, comprehensive income, changes in equity and cash flows for three-month periods ended 31 March 2014 and the related explanatory notes.

The Board of Directors is responsible for the preparation and presentation of these interim condensed consolidated financial statements in accordance with IAS 34 – *Interim Financial Reporting* (“IAS 34”). Our responsibility is to express a conclusion on these interim condensed consolidated financial statements based on our review.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, “Review of Interim Financial Information Performed by the Independent Auditor of the Entity.” A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing. Consequently, it does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim condensed consolidated financial statements are not prepared, in all material respects, in accordance with IAS 34.

Other Matters

The Company has prepared internal interim financial statements in the past for submission for regulatory purposes only. Therefore the comparative information for the three-month period ended 31 March 2013 included in the accompanying interim condensed consolidated financial statements are presented for information purpose only and have neither been reviewed nor audited.

Ziad Nader
Of Ernst & Young
Auditor’s Registration No: 258

Date: 21 April 2014
Doha

Qatar Fuel Q.S.C (Woqod)

INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 March 2014

	<i>Notes</i>	31 March 2014 QR (Unaudited)	31 December 2013 QR (Audited) (Restated)
ASSETS			
Non-current assets			
Property, plant and equipment	6	1,530,758,320	1,535,199,953
Available-for-sale financial assets	7	1,051,611,609	990,366,636
Goodwill	8	132,935,132	132,935,132
Total non-current assets		<u>2,715,305,061</u>	<u>2,658,501,721</u>
Current assets			
Inventories	9	394,770,804	405,691,136
Trade and other receivables	10	2,154,117,429	2,443,401,503
Prepayments and other receivables		123,307,729	106,053,597
Cash and bank balances		3,794,086,468	3,931,443,425
Total current assets		<u>6,466,282,430</u>	<u>6,886,589,661</u>
Total assets		<u>9,181,587,491</u>	<u>9,545,091,382</u>
Equity and liabilities			
Equity			
Share capital	11	844,593,750	649,687,500
Legal reserve		386,768,034	386,768,034
General reserve		30,078,234	30,078,234
Fair value reserve		267,054,743	218,514,776
Retained earnings		4,360,004,065	4,975,308,009
Equity attributable to equity holders of the parent		<u>5,888,498,826</u>	<u>6,260,356,553</u>
Non-controlling interest		<u>263,375,277</u>	<u>236,242,634</u>
Total equity		<u>6,151,874,103</u>	<u>6,496,599,187</u>
Non-current liabilities			
Employees' end of service benefits		<u>65,491,189</u>	<u>66,039,998</u>
Current liabilities			
Payables and accruals		<u>2,964,222,199</u>	<u>2,982,452,197</u>
Total liabilities		<u>3,029,713,388</u>	<u>3,048,492,195</u>
Total equity and liabilities		<u>9,181,587,491</u>	<u>9,545,091,382</u>

.....
Soud Bin Abdulrahman Al-Thani
Chairman of the Board

.....
Ibrahim Jaham A Al-Kuwari
Chief Executive Officer

.....
Khalil Hassan Makki
Finance Manager

The attached notes 1 to 19 form part of these interim condensed consolidated financial statements

Qatar Fuel Q.S.C (Woqod)

INTERIM CONSOLIDATED STATEMENT OF INCOME

For the three month period ended 31 March 2014

		<i>Three months ended 31 March</i>	
		<i>2014</i>	<i>2013</i>
	<i>Notes</i>	<i>QR</i>	<i>QR</i>
		<i>(Unaudited)</i>	<i>(Unaudited)</i>
			<i>(Restated)</i>
Revenue	14	3,195,369,502	2,916,717,606
Direct costs		(2,797,012,865)	(2,582,424,775)
GROSS PROFIT		398,356,637	334,292,831
General and administration expenses		(248,302,714)	(195,275,820)
Other income		102,904,161	61,699,734
PROFIT FOR THE PERIOD		252,958,084	200,716,745
Profit for the period attributable to:			
Equity holders of the parent		229,289,806	204,121,690
Non-controlling interest		23,668,278	(3,404,945)
		252,958,084	200,716,745
Basic and diluted earnings per share	15	2.99	2.38

Qatar Fuel Q.S.C (Woqod)

INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the three month period ended 31 March 2014

	<i>Three months ended 31 March</i>	
	<i>2014</i>	<i>2013</i>
	<i>QR</i>	<i>QR</i>
	<i>(Unaudited)</i>	<i>(Unaudited)</i>
		<i>(Restated)</i>
Profit for the period	252,958,084	200,716,745
Other comprehensive income		
Net movement in fair value of available-for-sale investments	52,004,332	28,100,102
Other comprehensive income for the period	52,004,332	28,100,102
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	304,962,416	228,816,847
Attributable to:		
Equity holders of the parent company	277,829,773	233,630,249
Non-controlling interest	27,132,643	(4,813,402)
	304,962,416	228,816,847

The attached notes 1 to 19 form part of these interim condensed consolidated financial statements

Qatar Fuel Q.S.C (Woqod)

INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the three month period ended 31 March 2014

	Attributable to the equity holders of the Parent					Total QR	Non- controlling interest QR	Total QR
	Share capital QR	Legal reserve QR	General reserve QR	Fair value reserve QR	Retained earnings QR			
Balance at 31 December 2013(Audited) (as previously reported)	649,687,500	386,768,034	30,078,234	218,514,776	5,068,414,028	6,353,462,572	296,784,362	6,650,246,934
Restatement (Note 18)	-	-	-	-	(93,106,019)	(93,106,019)	(60,541,728)	(153,647,747)
Balance at 31 December 2013 (Restated)	649,687,500	386,768,034	30,078,234	218,514,776	4,975,308,009	6,260,356,553	236,242,634	6,496,599,187
<i>Comprehensive income for the period:</i>								
Net profit for the period	-	-	-	-	229,289,806	229,289,806	23,668,278	252,958,084
Other comprehensive income	-	-	-	48,539,967	-	48,539,967	3,464,365	52,004,332
Total comprehensive income for the period	-	-	-	48,539,967	229,289,806	277,829,773	27,132,643	304,962,416
Issue of bonus shares (Note 11)	194,906,250	-	-	-	(194,906,250)	-	-	-
Cash dividends paid for 2013 (Note 12)	-	-	-	-	(649,687,500)	(649,687,500)	-	(649,687,500)
Dividends paid to non-controlling interest by a subsidiary company	-	-	-	-	-	-	-	-
Balance at 31 March 2014 (Unaudited)	844,593,750	386,768,034	30,078,234	267,054,743	4,360,004,065	5,888,498,826	263,375,277	6,151,874,103
Balance at 1 January 2013 (Audited)	519,750,000	384,774,951	30,078,234	33,325,769	4,534,285,311	5,502,214,265	303,820,045	5,806,034,310
<i>Comprehensive income for the period:</i>								
Net profit for the period (Restated)	-	-	-	-	204,121,690	204,121,690	(3,404,945)	200,716,745
Other comprehensive income	-	-	-	29,508,559	-	29,508,559	(1,408,457)	28,100,102
Total comprehensive income for the period (Restated)	-	-	-	29,508,559	204,121,690	233,630,249	(4,813,402)	228,816,847
Issue of bonus shares (Note 11)	129,937,500	-	-	-	(129,937,500)	-	-	-
Cash dividends paid for 2012 (Note 12)	-	-	-	-	(519,750,000)	(519,750,000)	-	(519,750,000)
Dividends paid to non-controlling interest by a subsidiary company	-	-	-	-	-	-	-	-
Balance at 31 March 2013 (Unaudited) (Restated)	649,687,500	384,774,951	30,078,234	62,834,328	4,088,719,501	5,216,094,514	299,006,643	5,515,101,157

The attached notes 1 to 19 form part of these interim condensed consolidated financial statements

Qatar Fuel Q.S.C (Woqod)

INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS

For the three month period ended 31 March 2014

	<i>Three months ended 31 March</i>	
	<i>2014</i>	<i>2013</i>
	<i>QR</i>	<i>QR</i>
	<i>(Unaudited)</i>	<i>(Unaudited)</i>
		<i>(Restated)</i>
OPERATING ACTIVITIES		
Profit for the period	252,958,084	200,716,745
Adjustments for:		
Depreciation of property, plant and equipment	37,221,142	29,203,063
Provision for employees' end of service benefits	4,982,346	5,482,346
Interest income	(7,315,460)	(5,854,533)
	<u>287,846,112</u>	<u>229,547,621</u>
Working capital changes:		
Inventories	10,920,332	(13,722,827)
Accounts receivable and prepayments	211,896,397	(830,088,159)
Amounts due from related parties	58,301,229	62,678,520
Amounts due to a related party	(973,883,130)	459,501,997
Trade and other payables	955,653,132	253,175,505
Cash from operations	550,734,072	161,092,657
Employees' end of service benefits paid	(5,531,155)	(2,530,657)
Interest received	9,147,776	5,854,533
Net cash flows from operating activities	<u>554,350,693</u>	<u>164,416,533</u>
INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(32,779,509)	(60,399,217)
Purchase of available-for-sale investments	(9,240,641)	(152,532,897)
Net cash flows used in investing activities	<u>(42,020,150)</u>	<u>(212,932,114)</u>
FINANCING ACTIVITIES		
Dividends paid	(649,687,500)	(519,750,000)
Cash flows used in financing activities	<u>(649,687,500)</u>	<u>(519,750,000)</u>
DECREASE IN CASH AND CASH EQUIVALENTS FOR THE PERIOD		
	(137,356,957)	(568,265,581)
Cash and cash equivalents at the beginning of the period	3,931,443,425	3,959,662,556
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	<u>3,794,086,468</u>	<u>3,391,396,975</u>

The attached notes 1 to 19 form part of these interim condensed consolidated financial statements

Qatar Fuel Q.S.C (Woqod)

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

At 31 March 2014

1 CORPORATE INFORMATION AND ACTIVITIES

Qatar Fuel Q.S.C (WOQOD) (the “Company” or the “Parent”) is a Qatari Public Shareholding Company formed in accordance with the Emiri Decree No 5 of 2002 on 10 February 2002 under the commercial registration No. 24872.

The principal activities of the Parent along with its subsidiaries (“the Group”) are the sale, marketing and distribution of oil, gas and refined petroleum products, which are refined by and transferred from Qatar Petroleum, vehicle inspection services, marine bunkering, transportation activities of oil and gas between the ports and real estate services. The Group operates in the State of Qatar through its lines of business. The Group also established WOQOD International which is a limited liability company established to undertake foreign investments for the parent company. WOQOD Kingdom is a subsidiary of WOQOD International and has recently undertaken a project to establish petrol stations and commercial spaces in the Kingdom of Saudi Arabia.

The interim condensed consolidated financial statements of the Qatar Fuel Q.S.C (WOQOD) (the “Company” or the “Parent”) and its subsidiaries (collectively, the Group) for the three months ended 31 March 2014 were authorised for issue in accordance with a resolution of the Board of Directors on 21 April 2014.

2 OTHER MATTERS

The Company has prepared internal interim financial statements in the past for submission for regulatory purposes only. Therefore the comparative information for the three-month period ended 31 March 2013 included in the accompanying interim condensed consolidated financial statements are presented for information purpose only and have neither been reviewed nor audited.

3 BASIS OF PREPARATION AND CONSOLIDATION

3.1 Basis of preparation

These interim condensed consolidated financial statements for the three months ended 31 March 2014 have been prepared in accordance with IAS 34 “Interim Financial Reporting”. The interim condensed consolidated financial statements are prepared in Qatar Riyals, which is the Company’s presentational and functional currency.

These interim condensed consolidated financial statements do not include all of the information and disclosures required in the annual financial statements, and should be read in conjunction with the consolidated financial statements as at and for the year ended 31 December 2013. In addition, results for the three month period ended 31 March 2014 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2014.

3.2 Basis of consolidation

The interim condensed consolidated financial statements comprise the financial statements of the Company and its following subsidiaries as at 31 March 2014.

<i>Name of the company</i>	<i>Country of incorporation</i>	<i>Shareholding interest</i>
Qatar Jet Fuel Company Q.S.C.	State of Qatar	60%
WOQOD Vehicle Inspection Company (“FAHES”) S.O.C	State of Qatar	100%
WOQOD Marine Services Company S.O.C	State of Qatar	100%
WOQOD International Company S.O.C	State of Qatar	100%
WOQOD Kingdom Company S.O.C	Kingdom of Saudi Arabia	100%
Ard Al Khaleej Real Estate S.O.C	State of Qatar	100%

4 NEW STANDARDS AND INTERPRETATIONS

The accounting policies adopted in the preparation of the interim condensed consolidated financial statements are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2013, except for the adoption of new standards and interpretations effective as of 1 January 2014.

During the period, the Group has adopted the following standards effective for the annual period beginning on or after 1 January 2014.

IAS 1 Presentation of Items of Other Comprehensive Income – Amendments to IAS 1

The amendments to IAS 1 introduce a grouping of items presented in other comprehensive income (OCI). Items that could be reclassified (or recycled) to profit or loss at a future point in time (e.g., net gain on hedge of net investment, exchange differences on translation of foreign operations, net movement on cash flow hedges and net loss or gain on available-for-sale financial assets) now have to be presented separately from items that will never be reclassified (e.g., actuarial gains and losses on defined benefit plans and revaluation of land and buildings). The amendment affected presentation only and had no impact on the Group's financial position or performance.

IAS 34 Interim financial reporting and segment information for total assets and liabilities (Amendment)

The amendment clarifies the requirements in IAS 34 relating to segment information for total assets and liabilities for each reportable segment to enhance consistency with the requirements in IFRS 8 Operating Segments. Total assets and liabilities for a reportable segment need to be disclosed only when the amounts are regularly provided to the chief operating decision maker and there has been no material change in the total amount disclosed in the entity's previous annual consolidated financial statements for that reportable segment. The Group provides these disclosures in Note 5.

IFRS 7 Financial Instruments: Disclosures Offsetting Financial Assets and Financial Liabilities Amendments to IFRS 7

The amendment requires an entity to disclose information about rights to set-off financial instruments and related arrangements (e.g., collateral agreements). The disclosures would provide users with information that is useful in evaluating the effect of netting arrangements on an entity's financial position. The new disclosures are required for all recognised financial instruments that are set off in accordance with IAS 32. The disclosures also apply to recognised financial instruments that are subject to an enforceable master netting arrangement or similar agreement, irrespective of whether the financial instruments are set off in accordance with IAS 32. As the Group is not setting off financial instruments in accordance with IAS 32 and does not have relevant offsetting arrangements, the amendment does not have an impact on the Group.

IFRS 10 Consolidated Financial Statements and IAS 27 Separate Financial Statements

IFRS 10 establishes a single control model that applies to all entities including special purpose entities. IFRS 10 replaces the parts of previously existing IAS 27 Consolidated and Separate Financial Statements that dealt with consolidated financial statements and SIC-12 Consolidation – Special Purpose Entities. IFRS 10 changes the definition of control such that an investor controls an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. To meet the definition of control in IFRS 10, all three criteria must be met, including: (a) an investor has power over an investee; (b) the investor has exposure, or rights, to variable returns from its involvement with the investee; and (c) the investor has the ability to use its power over the investee to affect the amount of the investor's returns. IFRS 10 had no impact on the consolidation of investments held by the Group.

IFRS 13 Fair Value Measurement

IFRS 13 establishes a single source of guidance under IFRS for all fair value measurements. IFRS 13 does not change when an entity is required to use fair value, but rather provides guidance on how to measure fair value under IFRS when fair value is required or permitted. The application of IFRS 13 has not materially impacted the fair value measurements carried out by the Group.

4 NEW STANDARDS AND INTERPRETATIONS (CONTINUED)

IFRS 13 also requires specific disclosures on fair values, some of which replace existing disclosure requirements in other standards, including IFRS 7 Financial Instruments: Disclosures. Some of these disclosures are specifically required for financial instruments by IAS 34.16A(j), thereby affecting the interim condensed consolidated financial statements period. The Group provides these disclosures in Note 7.

In addition to the above-mentioned amendments and new standards, IFRS 1 First-time Adoption of International Financial Reporting Standards was amended with effect for reporting periods starting on or after 1 January 2014. The Group is not a first-time adopter of IFRS, therefore, this amendment is not relevant to the Group.

The following amendments to standards became effective in 2014, but did not have any impact on the accounting policies, financial position or performance of the Group.

<i>Standards</i>	<i>Contents</i>
IFRS 7	Financial Instruments: Disclosures Offsetting Financial Assets and Financial Liabilities Amendments to IFRS 7
IFRS 11	Joint Arrangements and IAS 28 Investment in Associates and Joint Ventures
IFRS 12	Disclosure of Interests in Other Entities
IAS 1	Clarification of the requirement for comparative information (Amendment)
IAS 19	Employee Benefits (Revised 2011) (IAS 19R)
IAS 32	Tax effects of distributions to holders of equity instruments (Amendment)

The Group is currently considering the implications of the new IFRS which are effective for future accounting periods and has not early adopted any of the new standards as listed below:

<i>Standards</i>	<i>Contents</i>	<i>Effective date</i>
IFRS 9	Financial instruments	1 January 2015
IAS 32	Amendment to IAS 32, 'Financial instruments: Presentation', on asset and liability offsetting	1 January 2014

At 31 March 2014

5 OPERATING SEGMENTS

The Group mainly operates in the areas of sale and distribution of refined petroleum products and technical inspection of vehicles. More than 95% of the Group's revenue is generated through sale and distribution of refined petroleum products.

The Company's geographical segment is inside Qatar only. The operation in Kingdom of Saudi Arabia are neither significant nor material to be considered as a separate geographical segment.

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. All operating segments' operating results are reviewed regularly by the Group's Managing Director to make decisions about resources to be allocated to the segment and to assess its performance, and for which discrete financial information is available.

Segment results that are reported to the Managing Director include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly corporate assets (primarily the Group's headquarters) and head office expenses.

<i>Three months ended 31 March 2014 (Unaudited)</i>	<i>Refined petroleum products QR</i>	<i>Technical inspection of vehicles QR</i>	<i>Adjustment and eliminations QR</i>	<i>Consolidated 2014 QR</i>
Revenue				
External revenue	3,182,992,632	12,376,870	-	3,195,369,502
Inter-segment revenue	<u>1,616,125,959</u>	<u>-</u>	<u>(1,616,125,959)</u>	<u>-</u>
Total revenue	<u>4,799,118,591</u>	<u>12,376,870</u>	<u>(1,616,125,959)</u>	<u>3,195,369,502</u>
Reportable segment profit	<u>248,440,992</u>	<u>4,517,092</u>	<u>-</u>	<u>252,958,084</u>
<i>Three months ended 31 March 2013 (Un-audited) (Restated)</i>	<i>Refined petroleum products QR</i>	<i>Technical inspection of vehicles QR</i>	<i>Adjustment and eliminations QR</i>	<i>Consolidated 2013 QR</i>
Revenue	2,903,378,271	13,339,335	-	2,916,717,606
Inter-segment revenue	<u>1,533,597,203</u>	<u>-</u>	<u>(1,533,597,203)</u>	<u>-</u>
Total revenue	<u>4,436,975,474</u>	<u>13,339,335</u>	<u>(1,533,597,203)</u>	<u>2,916,717,606</u>
Reportable segment profit	<u>195,393,209</u>	<u>5,323,536</u>	<u>-</u>	<u>202,716,745</u>

At 31 March 2014

5 OPERATING SEGMENTS (CONTINUED)**Reconciliation of profit**

	<i>For three months ended 31 March</i>	
	<i>2014 QR (Unaudited)</i>	<i>2013 QR (Unaudited) (Restated)</i>
Segment profit	259,143,498	204,505,767
Inter-company dividend	(6,185,414)	(3,789,022)
Balance as at the end of the period	252,958,084	200,716,745

Reportable segment assets and liabilities

<i>31 March 2014 (Unaudited)</i>	<i>Refined petroleum products QR</i>	<i>Technical inspection of vehicles QR</i>	<i>Adjustment and eliminations QR</i>	<i>Consolidated 2014 QR</i>
Reportable segment assets	<u>10,375,468,252</u>	<u>160,892,677</u>	<u>(1,354,773,438)</u>	9,181,587,491
Reportable segment liabilities (Audited)	<u>4,140,750,779</u>	<u>10,185,534</u>	<u>(1,121,222,925)</u>	3,029,713,388
<i>31 December 2013 (Restated)</i>	<i>Refined petroleum products QR</i>	<i>Technical inspection of vehicles QR</i>	<i>Adjustment and eliminations QR</i>	<i>Consolidated 2013 QR</i>
Reportable segment assets	<u>10,876,357,637</u>	<u>156,289,421</u>	<u>(1,487,555,676)</u>	<u>9,545,091,382</u>
Reportable segment liabilities	<u>4,292,237,948</u>	<u>10,099,367</u>	<u>(1,253,845,120)</u>	<u>3,048,492,195</u>

Reconciliation of assets

	<i>31 March 2014 (Unaudited) QR</i>	<i>31 December 2013 (Audited) (Restated) QR</i>
Assets		
Total assets for reportable segments	9,093,297,105	9,456,516,355
Other unallocated amounts	88,290,386	88,575,027
Consolidated total assets	9,181,587,491	9,545,091,382

5 OPERATING SEGMENTS (CONTINUED)**Reconciliation of liabilities**

	<i>31 March 2014 (Unaudited) QR</i>	<i>31 December 2013 (Audited) (Restated) QR</i>
Liabilities		
Total liabilities for reportable segments	2,943,253,747	2,962,230,745
Other unallocated amounts	86,459,641	86,261,450
Consolidated total liabilities	3,029,713,388	3,048,492,195

6 PROPERTY, PLANT AND EQUIPMENT

	<i>31 March 2014 QR (Unaudited)</i>	<i>31 December 2013 (Audited) (Restated) QR</i>
Cost:		
Balance at 1 January	2,221,402,225	2,033,470,566
Additions	32,779,509	212,384,854
Disposals	-	(7,910,302)
Write off	-	(16,542,893)
Balance as at the end of the period / year	2,254,181,734	2,221,402,225
Depreciation:		
Balance at 1 January	686,202,272	566,459,979
Depreciation charges for the year	37,221,142	141,199,867
Related to disposals	-	(4,914,681)
Related to write off	-	(16,542,893)
Balance as at the end of the period / year	723,423,414	686,202,272
Net carrying amounts	1,530,758,320	1,535,199,953

Notes:

- (i) Depreciation charges amounting to QR 37,221,142 (31 December 2013: QR 29,203,063) have been included within the general administrative expense in the interim consolidated statement of income.
- (ii) The Group has received Government grants in the form of transferring non-monetary assets (three plots of land located in the state of Qatar), during the years 2005 and 2006 for no consideration, for the purpose of constructing and operating petrol stations on these plots; for which the title deeds have been transferred from the Ministry of Municipality and Urban Planning to the Group, however the Group elected to account for these plots of lands for which the title deeds have been transferred to the Group at nominal value of QR 1.

Also during 2013, the Group received additional twenty plots of lands located in the State of Qatar from the Ministry of Municipality and Urban Planning, for the same purpose referred above for which title deeds have not been transferred yet from the Ministry of Municipality and Urban Planning.

Qatar Fuel Q.S.C (Woqod)

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

At 31 March 2014

7 AVAILABLE-FOR-SALE FINANCIAL ASSETS

	<i>31 March 2014 (Unaudited)</i>	<i>31 December 2013 (Audited) (Restated)</i>
	<i>QR</i>	<i>QR</i>
Qatar Gas Transport Company Q.S.C.	225,680,000	226,800,000
Vodafone Qatar Company Q.S.C.	54,614,488	47,905,091
Industries Qatar Q.S.C.	260,686,178	236,211,886
Qatar Electricity and Water Company Q.S.C.	203,696,848	195,837,542
Ooredoo Q.S.C. (Formerly Known as Qatar Telecom (QTEL) Q.S.C.)	97,595,702	97,241,324
Qatar International Islamic Bank Q.S.C.	6,533,856	5,599,152
Qatar National Bank S.A.Q.	81,790,563	75,783,200
Doha Bank Q.S.C.	83,879,410	78,993,230
Commercial Bank of Qatar Q.S.C.	28,912,064	25,995,211
Mesaieed Petrochemical Holding Company Q.S.C.	8,222,500	-
	<u>1,051,611,609</u>	<u>990,366,636</u>
Balance as at the end of the period / year	<u>1,051,611,609</u>	<u>990,366,636</u>

Fair value hierarchy

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

- Level 1: Quoted (unadjusted) prices in active markets for identical assets or liabilities;
- Level 2: Other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly; and
- Level 3: Techniques which use inputs which have a significant effect on the recorded fair values are not based on observable market data.

As at 31 March 2014 and 31 December 2013, the Group held the following classes of financial instruments measured at fair value:

Financial assets

	<i>31 March 2014 (Unaudited) QR</i>	<i>Level 1 QR</i>	<i>Level 2 QR</i>	<i>Level 3 QR</i>
Available-for-sale financial assets	<u>1,051,611,609</u>	<u>1,051,611,609</u>	<u>-</u>	<u>-</u>
	<u>1,051,611,609</u>	<u>1,051,611,609</u>	<u>-</u>	<u>-</u>
	<i>31 December 2013 (Audited) (Restated) QR</i>	<i>Level 1 QR</i>	<i>Level 2 QR</i>	<i>Level 3 QR</i>
Available-for-sale financial assets	<u>990,366,636</u>	<u>990,366,636</u>	<u>-</u>	<u>-</u>
	<u>990,366,636</u>	<u>990,366,636</u>	<u>-</u>	<u>-</u>

During the period/year ended 31 March 2014 and 31 December 2013, there were no transfers between Level 1 and Level 2 fair value measurements, and no transfers into and out of Level 3 fair value measurements.

8 IMPAIRMENT**Goodwill**

Goodwill is tested for impairment annually (as at 31 December) and when circumstances indicate the carrying value may be impaired. The Group's impairment test for goodwill and intangible assets with indefinite lives is based on value-in-use calculations. The key assumptions used to determine the recoverable amount for the different cash generating units were disclosed in the annual consolidated financial statements for the year ended 31 December 2013

At 31 March 2014, the management has reviewed the assumptions that have been used for the Qatar Jet Fuel Company and FAHES, which are the cash-generating units to which the goodwill was allocated as at 31 December 2013 as shown below:

Q-Jet cash-generating unit

The Group used the cash generating unit's value in use to determine the recoverable amount, which exceeded the carrying amount. The projected cash flows were updated to reflect the increased demand for jet fuel products. All other assumptions remained consistent with those disclosed in the most recent annual audited consolidated financial statements for the year ended 31 December 2013. As a result of the updated analysis, management did not identify impairment for this cash-generating unit to which goodwill of QR 57,700,022 is allocated.

FAHES cash-generating unit

The management has determined that the assumptions remained consistent with those disclosed and used in the most recent annual audited consolidated financial statements for the year ended 31 December 2013. As a result of the updated analysis, management did not identify impairment for this cash-generating unit to which goodwill of QR 75,235,110 is allocated.

Sensitivity to changes in assumptions

With regard to the assessment of value in use of the cash generating units, the management believes that no reasonably possible change in any of the above key assumptions would cause the carrying value of the unit to materially exceed its recoverable amount.

Available-for-sale financial assets

For available-for-sale financial assets, the Group assesses at each reporting date whether there is objective evidence that an investment or a group of investments is impaired. In the case of equity investments classified as available-for-sale, objective evidence would include a significant or prolonged decline in the fair value of the investment below its cost. The determination of what is 'significant' or 'prolonged' requires judgement. 'Significant' is evaluated against the original cost of the investment and 'prolonged' against the period in which the fair value has been below its original cost. The details of the fair value hierarchy are disclosed in Note 7.

9 INVENTORIES

	<i>31 March 2014 (Unaudited) QR</i>	<i>31 December 2013 (Audited) (Restated) QR</i>
Jet fuel oil	206,746,842	201,000,188
Heavy fuel oil	61,314,452	72,631,304
Light gas fuel oil	38,007,740	31,301,345
Materials and spare parts	46,016,300	48,486,263
Refined fuel oil - premium grade	12,661,050	10,670,428
Refined fuel oil - super grade	8,681,838	12,160,699
Retail stores inventory	19,292,215	16,123,446
Other inventory items	2,050,367	13,317,463
	394,770,804	405,691,136

Qatar Fuel Q.S.C (Woqod)

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

At 31 March 2014

10 TRADE AND OTHER RECEIVABLES

	<i>31 March 2014 (Unaudited) QR</i>	<i>31 December 2013 (Audited) (Restated) QR</i>
Trade and other receivables	2,056,729,278	2,372,595,846
Notes receivable	40,627,289	8,329,960
Due from related parties (Note 13)	57,572,513	63,287,348
	<u>2,154,929,080</u>	<u>2,444,213,154</u>
Less:		
Provision for bad and doubtful debts	(811,651)	(811,651)
	<u>2,154,117,429</u>	<u>2,443,401,503</u>

All of the receivables which are not impaired are either secured against bank guarantees or are due from government agencies.

11 SHARE CAPITAL

	<i>31 March 2014 (Unaudited) QR</i>	<i>31 December 2013 (Audited) (Restated) QR</i>
<i>Authorized</i>		
100,000,000 ordinary shares of QR 10 each	<u>1,000,000,000</u>	<u>1,000,000,000</u>
<i>Issued</i>		
ordinary shares 84,459,375 (2013: 64,968,750 shares) of QR 10 each	<u>844,593,750</u>	<u>649,687,500</u>

All shares are of equal class and voting rights. During the current period, the Parent has issued bonus shares equivalent to 30% (2013: 25%) of the paid up share capital as at 31 March 2014 amounting to QR 194,906,250 equivalent to 19,490,625 shares (2013: QR 129,937,500 equivalent to 12,993,750 shares) which was approved by the Annual General Assembly held on 3 March 2014.

12 DIVIDENDS

The shareholders of the company approved at the Annual General Assembly meeting held on 3 March 2014 a cash dividend of QR 10 per share to shareholders owning more than 100 shares with a total amounting to QR 649,687,500 (2013: the shareholders approved a cash dividend of QR 10 per share with a total amounting to QR 519,750,000) in addition to the 30% bonus shares (2013: 25%) as disclosed in Note 11.

At 31 March 2014

13 RELATED PARTY DISCLOSURES

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

Transactions made with related parties

Transactions with related parties included in the interim condensed consolidated statement of income are as follows:

	<i>31 March 2014 (Unaudited) QR</i>	<i>31 December 2013 (Audited) (Restated) QR</i>
Qatar Petroleum / Purchases	<u>2,545,560,585</u>	<u>2,403,623,899</u>
Qatar Petroleum / Sales	<u>22,241,997</u>	<u>23,666,870</u>
Due to a related party		
	<i>31 March 2014 (Unaudited) QR</i>	<i>31 December 2013 (Audited) (Restated) QR</i>
Qatar Petroleum	<u>1,679,074,645</u>	<u>2,641,812,796</u>
Due from related parties		
	<i>31 March 2014 (Unaudited) QR</i>	<i>31 December 2013 (Audited) (Restated) QR</i>
Ras Gas	25,167,404	34,813,863
Qatar Liquefied Gas Company Ltd. ("Qatar Gas")	21,519,011	17,178,236
Gulf Drilling International ("GDI") Q.S.C.	3,856,835	3,997,401
Qatar Petrochemical Company ("QAPCO") Q.S.C.	1,688,460	460,046
Gulf Helicopters Q.S.C.	1,032,490	1,545,701
Amwaj Catering Services	1,008,702	625,717
Qatar Steel Company ("QASCO") Q.S.C.	795,117	379,471
Qatar Aluminium ("Qatalum")	463,395	933,753
Qatar Chemical Company Ltd. ("Q-Chem")	432,483	407,476
Qatex Limited	401,955	1,137,524
Qatar Fuel Additives Company ("QAFAC") C.Q.S.C.	376,644	977,398
Qatar Fertiliser Company ("QAFCO") C.Q.S.C.	226,100	133,352
Oryx GTL	225,761	235,661
Qatar Gas Operating Company - 3&4	199,977	189,863
Seef Ltd.	57,669	60,291
Qatar Holding Co.	53,412	53,412
Al Shaheen Well Services Co.	30,224	52,929
Qatar Gas Group	26,828	70,666
Gasal Q.S.C.	10,046	34,588
	<u>57,572,513</u>	<u>63,287,348</u>

13 RELATED PARTY DISCLOSURES (CONTINUED)**Compensation to key management personnel**

	<i>Three months ended 31 March</i>	
	<i>2014</i>	<i>2013</i>
	<i>QR</i>	<i>QR</i>
	<i>(Unaudited)</i>	<i>(Unaudited)</i>
		<i>(Restated)</i>
Salaries and other short term benefits and Post-employment benefits	11,862,551	7,725,733

14 REVENUE

	<i>Three months ended 31 March</i>	
	<i>2014</i>	<i>2013</i>
	<i>QR</i>	<i>QR</i>
	<i>(Unaudited)</i>	<i>(Unaudited)</i>
		<i>(Restated)</i>
Sales of refined petroleum products	2,833,472,303	2,633,991,319
Sales of petrol stations	289,451,488	214,847,220
Transportation and storage revenues	58,263,809	52,174,565
Revenues from inspection services	12,376,870	13,339,335
Sales of lubricants and supplies	1,805,032	2,365,167
	3,195,369,502	2,916,717,606

15 BASIC AND DILUTED EARNINGS PER SHARE

Basic earnings per share amounts are calculated by dividing the profit for the period attributable to equity holders of the Parent by the weighted average number of ordinary shares outstanding during the period. The basic and diluted earnings per share are the same as the Company has not issued any instruments which would have an impact on the earnings per share when exercised.

	<i>Three months ended</i>	
	<i>31 March</i>	
	<i>2014</i>	<i>2013</i>
	<i>(Unaudited)</i>	<i>(Unaudited)</i>
		<i>(Restated)</i>
	<i>QR</i>	<i>QR</i>
Profit for the period (QR)	252,958,084	200,716,745
Weighted average number of shares	84,459,375	84,459,375
Basic and diluted earnings per share (QR)	2.99	2.38

During 2013, the Company issued bonus shares for the year 2012. During 2014, the Company issued further bonus shares for the year 2013. Accordingly, the previously reported earnings per share as at 31 March 2013 have been restated for the effects of this transaction.

15 BASIC AND DILUTED EARNINGS PER SHARE (CONTINUED)

The weighted average number of shares has been calculated as follows:

	<i>31 March 2014 QR (Unaudited)</i>	<i>31 March 2013 QR (Unaudited) (Restated)</i>
Qualifying shares at beginning of the period	51,975,000	51,975,000
Effect of bonus shares issued for 2013	12,993,750	12,993,750
Effect of bonus shares issued for 2014	19,490,625	-
Weighted average number of shares outstanding	<u>84,459,375</u>	<u>64,968,750</u>

16 CONTINGENT LIABILITIES

	<i>31 March 2014 (Unaudited) QR</i>	<i>31 December 2013 (Audited) (Restated) QR</i>
Bank guarantees	<u>59,400</u>	<u>59,400</u>
Letters of credit	<u>19,425,677</u>	<u>13,455,700</u>

17 CAPITAL COMMITMENTS

	<i>31 March 2014 (Unaudited) QR</i>	<i>31 December 2013 (Audited) (Restated) QR</i>
Construction of petrol stations	<u>171,959,688</u>	<u>171,959,688</u>

18 RESTATEMENT

During the quarter ended 31 March 2014 the company received instructions from Qatar Petroleum in relation to the price formula applied to jet fuel prices charged by the Company's Subsidiary, Qatar Jet Fuel Company (QJet), to Qatar Airways. Based on the instructions a new formula for the calculation of jet fuel should be applied with effect from prior periods. Based on these facts the group elected to restate the comparative figures to take into account the effect of the price revision.

The impact of such restatement was to reduce the revenue for the year ended 31 December 2013 by QR 128,166,081 decrease receivables as of 31 December 2013 by QR 156,035,350 decrease the profit for the year ended 31 December 2013 by QR 93,106,019 and decrease retained as of 31 December 2013 by QR 93,106,019.

19 COMPARATIVE INFORMATION

Except for the restatement as per note 18, comparative financial information for the previous period/year has been reclassified, where necessary, in order to conform to the current period's presentation. Such other reclassifications do not affect the previously reported net profit or shareholders' equity.