

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

FINANCIAL STATEMENTS

30 JUNE 2014



Building a better
working world

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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 30 June 2014, and the related interim consolidated statements of income and comprehensive income for the three months and six months ended 30 June 2014, the interim consolidated statements of changes in equity and cash flows for the six months ended 30 June 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 Matter

The Group has prepared internal interim condensed consolidated financial statements for the three months ended 31 March 2013 for submission for regulatory purposes only. Therefore, the comparative information for the three months ended 30 June 2014 included in the accompanying interim consolidated statements of income and comprehensive income and related notes are presented for information purposes only and have neither been reviewed nor audited.


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

Date: 22 July 2014
Doha



Qatar Fuel Q.S.C (Woqod)

INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2014

	Notes	30 June 2014 QR (Unaudited)	31 December 2013 QR (Audited) (Restated)
ASSETS			
Non-current assets			
Property, plant and equipment	6	1,539,142,644	1,535,199,953
Available-for-sale financial assets	7	1,124,029,099	990,366,636
Goodwill		132,935,132	132,935,132
Total non-current assets		2,796,106,875	2,658,501,721
Current assets			
Inventories	8	451,564,790	405,691,136
Trade and other receivables	9	3,088,563,938	2,443,401,503
Prepayments and other receivables		125,315,440	106,053,597
Cash and bank balances		4,004,430,162	3,931,443,425
Total current assets		7,669,874,330	6,886,589,661
Total assets		10,465,981,205	9,545,091,382
Equity and liabilities			
Equity			
Share capital	10	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		211,750,621	218,514,776
Retained earnings		4,660,725,635	4,975,308,009
Equity attributable to equity holders of the parent		6,133,916,274	6,260,356,553
Non-controlling interest		204,245,445	236,242,634
Total equity		6,338,161,719	6,496,599,187
Non-current liabilities			
Employees' end of service benefits		69,345,262	66,039,998
Current liabilities			
Payables and accruals		4,058,474,224	2,982,452,197
Total liabilities		4,127,819,486	3,048,492,195
Total equity and liabilities		10,465,981,205	9,545,091,382

Shiekh / Soud Bin Abdulrahman Al-Thani
Chairman of the Board

Ibrahim Jaham A Al-Kuwari
Chief Executive Officer

Khalil Hassan Makki
Finance Manager

Qatar Fuel Q.S.C (Woqod)

INTERIM CONSOLIDATED STATEMENT OF INCOME

For the six month period ended 30 June 2014

	Notes	<i>Three months ended</i>		<i>Six months ended</i>	
		<i>30 June</i>	<i>30 June</i>	<i>30 June</i>	<i>30 June</i>
		<i>2014</i>	<i>2013</i>	<i>2014</i>	<i>2013</i>
		<i>(Unaudited)</i>		<i>(Unaudited)</i>	
		<i>QR</i>	<i>QR</i>	<i>QR</i>	<i>QR</i>
Revenue	13	3,733,492,922	3,066,702,172	6,928,862,424	5,983,419,778
Direct costs		<u>(3,279,480,736)</u>	<u>(2,603,393,732)</u>	<u>(6,076,493,601)</u>	<u>(5,185,818,507)</u>
GROSS PROFIT		454,012,186	463,308,440	852,368,823	797,601,271
General and administration expenses		<u>(214,523,544)</u>	<u>(201,084,053)</u>	<u>(462,826,258)</u>	<u>(396,359,873)</u>
Other operating income		<u>56,268,304</u>	<u>25,197,742</u>	<u>159,172,465</u>	<u>86,897,476</u>
OPERATING PROFIT FOR THE PERIOD		295,756,946	287,422,129	548,715,030	488,138,874
Interest income		<u>14,991,066</u>	<u>18,298,882</u>	<u>14,991,066</u>	<u>18,298,882</u>
PROFIT FOR THE PERIOD		310,748,012	305,721,011	563,706,096	506,437,756
Profit for the period attributable to:					
Equity holders of the parent		<u>300,721,570</u>	<u>267,117,373</u>	<u>530,011,376</u>	<u>471,239,063</u>
Non-controlling interest		<u>10,026,442</u>	<u>38,603,638</u>	<u>33,694,720</u>	<u>35,198,693</u>
		<u>310,748,012</u>	<u>305,721,011</u>	<u>563,706,096</u>	<u>506,437,756</u>
Basic and diluted earnings per share	14	<u>3.56</u>	<u>3.16</u>	<u>6.28</u>	<u>5.58</u>

The attached notes 1 to 18 form part of these interim condensed consolidated financial statements

Qatar Fuel Q.S.C (Woqod)

INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six month period ended 30 June 2014

	<i>Three months ended</i>		<i>Six months ended</i>	
	<i>30 June</i>	<i>30 June</i>	<i>30 June</i>	<i>30 June</i>
	<i>2014</i>	<i>2013</i>	<i>2014</i>	<i>2013</i>
		<i>(Restated)</i>		<i>(Restated)</i>
	<i>(Unaudited)</i>		<i>(Unaudited)</i>	
	<i>QR</i>	<i>QR</i>	<i>QR</i>	<i>QR</i>
Profit for the period	310,748,012	305,721,011	563,706,096	506,437,756
Other comprehensive income				
<i>Other comprehensive income to be reclassified to profit or loss in subsequent periods:</i>				
Net movement in fair value of available-for-sale investments	(60,460,396)	62,706,409	(8,456,064)	90,806,511
Net other comprehensive (loss)/ income to be reclassified to profit or loss in subsequent periods	(60,460,396)	62,706,409	(8,456,064)	90,806,511
<i>Other comprehensive income not to be reclassified to profit or loss in subsequent periods</i>	-	-	-	-
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	250,287,616	368,427,420	555,250,032	597,244,267
Attributable to:				
Equity holders of the parent company	245,417,450	326,931,648	523,247,223	560,561,897
Non-controlling interest	4,870,166	41,495,772	32,002,809	36,682,370
	250,287,616	368,427,420	555,250,032	597,244,267

The attached notes 1 to 18 form part of these interim condensed consolidated financial statements

Qatar Fuel Q.S.C (Waqod)

INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six month period ended 30 June 2014

	Attributable to the equity holders of the Parent				Non-controlling interest	Total
	Share capital	Legal reserve	General reserve	Fair value reserve	QR	QR
Balance at 31 December 2013 (Audited) (as previously stated)	649,687,500	386,768,034	30,078,234	218,514,776	296,784,362	6,650,246,934
Restatement (Note 17)	-	-	-	-	(60,541,728)	(153,647,747)
Balance at 31 December 2013 (Restated)	649,687,500	386,768,034	30,078,234	218,514,776	236,242,634	6,496,599,187
<i>Comprehensive income for the period:</i>						
Net profit for the period	-	-	-	530,011,376	33,694,720	563,706,096
Other comprehensive income	-	-	-	(6,764,155)	(1,691,909)	(8,456,064)
Total comprehensive income for the period	-	-	-	530,011,376	32,002,811	555,250,032
Issue of bonus shares (Note 10)	194,906,250	-	-	-	-	-
Cash dividends paid for 2013 (Note 11)	-	-	-	(194,906,250)	-	(649,687,500)
Dividends paid to non-controlling interest by a subsidiary company	-	-	-	-	(64,000,000)	(64,000,000)
Balance at 30 June 2014 (Unaudited)	844,593,750	386,768,034	30,078,234	211,750,621	204,245,445	6,338,161,719
<i>Attributable to the equity holders of the Parent</i>						
Balance at 1 January 2013 (Audited)	519,750,000	384,774,951	30,078,234	33,325,769	303,820,045	5,806,034,310
<i>Comprehensive income for the period:</i>						
Net profit for the period (Restated)	-	-	-	471,239,063	35,198,693	506,437,756
Other comprehensive income	-	-	-	89,322,834	1,483,677	90,806,511
Total comprehensive income for the period	-	-	-	89,322,834	36,682,370	597,244,267
Issue of bonus shares (Note 10)	129,937,500	-	-	-	-	-
Cash dividends paid for 2012 (Note 11)	-	-	-	(129,937,500)	-	(515,770,529)
Dividends paid to non-controlling interest by a subsidiary company	-	-	-	-	(130,000,000)	(130,000,000)
Balance at 30 June 2013 (Unaudited) (Restated)	649,687,500	384,774,951	30,078,234	122,648,603	210,502,415	5,757,508,048

The attached notes 1 to 18 form part of these interim condensed consolidated financial statements

Qatar Fuel Q.S.C (Woqod)

INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS

For the six month period ended 30 June 2014

	<i>Six months ended 30 June</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	563,706,096	506,437,756
Adjustments for:		
Depreciation of property, plant and equipment	66,069,935	68,084,885
Gain on disposal of property, plant and equipment	-	(1,592,944)
Provision for employees' end of service benefits	9,973,681	7,207,156
Interest income	(16,235,877)	(18,298,882)
Operating profit before working capital changes	623,513,835	561,837,971
Working capital changes:		
Inventories	(45,873,654)	(47,402,985)
Accounts receivable and prepayments	(271,949,881)	(742,087,481)
Amounts due from related parties	(383,057,933)	1,612,632
Amounts due to a related party	71,388,503	394,679,608
Trade and other payables	1,004,633,527	(11,385,210)
Cash from operations	998,654,397	157,254,535
Employees' end of service benefits paid	(6,668,417)	(1,490,932)
Interest received	16,235,877	22,076,207
Net cash flows from operating activities	1,008,221,857	177,839,810
INVESTING ACTIVITIES		
Additions to property, plant and equipment	(87,885,157)	(106,121,063)
Proceeds from sale of property, plant and equipment	-	1,731,493
Purchase of available-for-sale investments	(133,662,463)	(127,787,414)
Net cash flows used in investing activities	(221,547,620)	(232,176,984)
FINANCING ACTIVITIES		
Dividend paid to non-controlling interest by a subsidiary company	(64,000,000)	(130,000,000)
Dividends paid	(649,687,500)	(515,770,529)
Net cash flows used in financing activities	(713,687,500)	(645,770,529)
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS FOR THE PERIOD	72,986,737	(700,107,703)
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	4,004,430,162	3,259,554,853

The attached notes 1 to 18 form part of these interim condensed consolidated financial statements

Qatar Fuel Q.S.C (Woqod)

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS At 30 June 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 were authorised for issue in accordance with a resolution of the Board of Directors on 22 July 2014.

2 BASIS OF PREPARATION AND CONSOLIDATION

2.1 Basis of preparation

These interim condensed consolidated financial statements for the six months ended 30 June 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 six month period ended 30 June 2014 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2014.

2.2 Basis of consolidation

The interim condensed consolidated financial statements comprise the financial statements of the Company and its following subsidiaries as at 30 June 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%

3 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.

3 NEW STANDARDS AND INTERPRETATIONS (continued)

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 4.

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.

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.

Qatar Fuel Q.S.C (Woqod)

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

At 30 June 2014

3 NEW STANDARDS AND INTERPRETATIONS (continued)

Novation of Derivatives and Continuation of Hedge Accounting – Amendments to IAS 39

These amendments provide relief from discontinuing hedge accounting when novation of a derivative designated as a hedging instrument meets certain criteria. These amendments have no impact to the Group as the Group has not novated its derivatives during the current or prior periods.

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

4 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 is 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.

Qatar Fuel Q.S.C (Woqod)

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
At 30 June 2014

4 OPERATING SEGMENTS (continued)

<i>Six months ended 30 June 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	6,902,834,795	26,027,629	-	6,928,862,424
Inter-segment revenue	<u>3,372,192,872</u>	<u>-</u>	<u>(3,372,192,872)</u>	<u>-</u>
Total revenue	<u>10,275,027,667</u>	<u>26,027,629</u>	<u>(3,372,192,872)</u>	<u>6,928,862,424</u>
Reportable segment profit	<u>649,791,093</u>	<u>9,897,003</u>	<u>(95,982,000)</u>	<u>563,706,096</u>
<i>Six months ended 30 June 2013 (Unaudited) (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				
External revenue	5,956,716,363	26,703,415	-	5,983,419,778
Inter-segment revenue	<u>2,985,621,047</u>	<u>-</u>	<u>(2,985,621,047)</u>	<u>-</u>
Total revenue	<u>8,942,337,410</u>	<u>26,703,415</u>	<u>(2,985,621,047)</u>	<u>5,983,419,778</u>
Reportable segment profit	<u>689,621,631</u>	<u>11,816,125</u>	<u>(195,000,000)</u>	<u>506,437,756</u>

Inter-segment revenues of QR 3,372,192,872 (2013: QR 2,985,621,047) are eliminated on consolidation.

Reconciliation of profit

	<i>For six months ended 30 June</i>	
	<i>2014 QR (Unaudited)</i>	<i>2013 QR (Unaudited) (Restated)</i>
Segment profit	659,706,096	701,437,756
Inter-company dividend	<u>(96,000,000)</u>	<u>(195,000,000)</u>
Balance as at the end of the period	<u>563,706,096</u>	<u>506,437,756</u>

Reportable segment assets and liabilities

<i>30 June 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>11,674,212,921</u>	<u>168,234,467</u>	<u>(1,376,466,183)</u>	<u>10,465,981,205</u>
Reportable segment liabilities	<u>5,240,567,726</u>	<u>12,147,413</u>	<u>(1,124,895,653)</u>	<u>4,127,819,486</u>

Qatar Fuel Q.S.C (Woqod)

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS At 30 June 2014

4 OPERATING SEGMENTS (continued)

<i>31 December 2013 (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>
Reportable segment assets	<u>10,876,357,637</u>	<u>156,289,428</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>30 June 2014 (Unaudited) QR</i>	<i>31 December 2013 (Audited) (Restated) QR</i>
Assets		
Total assets for reportable segments	<u>10,377,690,819</u>	<u>9,456,516,355</u>
Other unallocated amounts	<u>88,290,386</u>	<u>88,575,027</u>
Consolidated total assets	<u>10,465,981,205</u>	<u>9,545,091,382</u>

Reconciliation of liabilities

	<i>30 June 2014 (Unaudited) QR</i>	<i>31 December 2013 (Audited) (Restated) QR</i>
Liabilities		
Total liabilities for reportable segments	<u>4,041,340,966</u>	<u>2,962,230,745</u>
Other unallocated amounts	<u>86,478,520</u>	<u>86,261,450</u>
Consolidated total liabilities	<u>4,127,819,486</u>	<u>3,048,492,195</u>

5 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.

The management as at 30 June 2014 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.

Qatar Fuel Q.S.C (Woqod)

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS At 30 June 2014

5 IMPAIRMENT (continued)

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.

6 PROPERTY, PLANT AND EQUIPMENT

	<i>30 June 2014 QR (Unaudited)</i>	<i>31 December 2013 QR (Audited)</i>
Cost:		
Balance at 1 January	2,221,402,225	2,033,470,566
Additions	87,885,157	212,384,854
Disposals	-	(7,910,302)
Write off	-	(16,542,893)
Balance as at the end of the period / year	<u>2,309,287,382</u>	<u>2,221,402,225</u>
Depreciation:		
Balance at 1 January	686,202,272	566,459,979
Depreciation charges for the period / year	83,942,466	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	<u>770,144,738</u>	<u>686,202,272</u>
Net carrying amounts	<u>1,539,142,644</u>	<u>1,535,199,953</u>

Notes:

- (i) Depreciation charges amounting to QR 83,942,466 (30 June 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 (six 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.

Qatar Fuel Q.S.C (Woqod)

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

At 30 June 2014

6 PROPERTY, PLANT AND EQUIPMENT (continued)

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.

7 AVAILABLE-FOR-SALE FINANCIAL ASSETS

	30 June 2014 QR (Unaudited)	31 December 2013 QR (Audited)
Industries Qatar Q.S.C	236,351,739	236,211,886
Qatar Gas Transport Company Q.S.C.	226,240,000	226,800,000
Qatar Electricity and Water Company Q.S.C.	204,762,704	195,837,542
Ooredoo Q.S.C (Formerly known as Qatar Telecom (QTEL) Q.S.C.)	84,271,089	97,241,324
Qatar National Bank S.A.Q.	76,195,780	75,783,200
Doha Bank Q.S.C.	73,564,142	78,993,230
Qatar International Islamic Bank Q.S.C.	61,925,383	5,599,152
Vodafone Qatar Company Q.S.C.	49,174,268	47,905,091
Barwa Real Estate Company Q.S.C.	44,088,941	-
Commercial Bank of Qatar Q.S.C.	37,650,737	25,995,211
Doha Insurance Company Q.S.C.	20,504,316	-
Mesaieed Petrochemical Holding Company Q.S.C.	9,300,000	-
Balance as at the end of the period / year	<u>1,124,029,099</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 30 June 2014 and 31 December 2013, the Group held the following classes of financial instruments measured at fair value:

Financial assets

	30 June 2014 (Unaudited) QR	Level 1 QR	Level 2 QR	Level 3 QR
Available-for-sale financial assets	<u>1,124,029,099</u>	<u>1,124,029,099</u>	-	-
	31 December 2013 (Audited)	Level 1	Level 2	Level 3
	QR	QR	QR	QR
Available-for-sale financial assets	<u>990,366,636</u>	<u>990,366,636</u>	-	-

Qatar Fuel Q.S.C (Woqod)

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

At 30 June 2014

7 AVAILABLE-FOR-SALE FINANCIAL ASSETS (continued)

During the period/year ended 30 June 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 INVENTORIES

	30 June 2014 QR (Unaudited)	31 December 2013 QR (Audited)
Jet fuel oil	218,309,824	201,000,188
Heavy fuel oil	59,887,104	72,631,304
Light gas fuel oil	55,314,962	31,301,345
Materials and spare parts	54,966,789	48,486,263
Refined fuel oil - premium grade	20,507,306	10,670,428
Refined fuel oil - super grade	14,355,973	12,160,699
Retail stores inventory	25,456,593	16,123,446
Other inventory items	2,766,239	13,317,463
	<u>451,564,790</u>	<u>405,691,136</u>

9 TRADE AND OTHER RECEIVABLES

	30 June 2014 QR (Unaudited)	31 December 2013 QR (Audited) (Restated)
Trade and other receivables	3,017,831,075	2,372,595,846
Notes receivable	19,324,168	8,329,960
Due from related parties (Note 12)	<u>52,220,346</u>	<u>63,287,348</u>
Less:	3,089,375,589	2,444,213,154
Allowance for bad and doubtful debts	<u>(811,651)</u>	<u>(811,651)</u>
	<u>3,088,563,938</u>	<u>2,443,401,503</u>

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

10 SHARE CAPITAL

	30 June 2014 QR (Unaudited)	31 December 2013 QR (Audited)
<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>		
84,459,375 ordinary shares (2013: 64,968,750 shares) of QR 10 each	<u>844,593,750</u>	<u>649,687,500</u>

Qatar Fuel Q.S.C (Woqod)

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

At 30 June 2014

10 SHARE CAPITAL (continued)

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 December 2013 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.

11 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 amounting to a total of QR 649,687,500 (2013: the shareholders approved a cash dividend of QR 10 per share amounting to a total of QR 515,770,529) in addition to the 30% bonus shares (2013: 25%) as disclosed in Note 10.

12 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:

	30 June 2014 QR (Unaudited)	30 June 2013 QR (Unaudited)
Qatar Petroleum / Purchases	<u>2,173,648,023</u>	<u>2,403,623,899</u>
Qatar Petroleum / Sales	<u>3,372,192,872</u>	<u>23,666,870</u>
Due to a related party		
	30 June 2014 QR (Unaudited)	31 December 2013 QR (Audited)
Qatar Petroleum	<u>2,574,585,197</u>	<u>2,641,812,796</u>

Qatar Fuel Q.S.C (Woqod)

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At 30 June 2014

12 RELATED PARTY DISCLOSURES (continued)

Due from related parties

	30 June 2014 QR (Unaudited)	31 December 2013 QR (Audited)
Qatar Liquefied Gas Company Ltd. ("Qatar Gas")	22,674,070	17,438,765
Rasgas	18,189,710	34,813,863
Gulf Drilling International ("GDI") Q.S.C.	3,846,219	3,997,401
Gulf Helicopters Q.S.C.	2,234,673	1,545,701
Qatar Petrochemical Company ("QAPCO") Q.S.C.	1,943,750	460,046
Qatar Chemical Company Ltd. ("Q-Chem")	819,143	407,476
Qatar Steel Company Q.S.C.	650,674	379,471
Qatar Aluminium ("Qatalum")	615,109	933,753
Qatar Fertiliser Company ("QAFCO") C.Q.S.C.	404,859	133,352
Qatar Fuel Additives Company ("QAFAC") C.Q.S.C.	274,961	977,398
Amwaj Catering Services	274,282	625,717
Oryx GTL	186,881	235,661
Seef Ltd.	82,620	60,291
Gasal Q.S.C.	23,395	34,588
Qatex Limited	-	1,137,524
Qatar Holding Co.	-	53,412
Al Shaheen Well Services Co.	-	52,929
	<u>52,220,346</u>	<u>63,287,348</u>

Compensation to key management personnel

	Six months ended 30 June 2014 QR (Unaudited)	2013 QR (Unaudited)
Salaries and other short term benefits and post-employment benefits	<u>13,048,806</u>	<u>7,725,733</u>

13 REVENUE

	Three months ended		Six months ended 30 June	
	30 June 2014 QR (Unaudited)	30 June 2013 (Restated) QR (Unaudited)	30 June 2014 QR (Unaudited)	30 June 2013 (Restated) QR (Unaudited)
Sales of refined petroleum products	3,298,208,346	2,743,349,736	6,131,680,649	5,377,341,055
Sales of petrol stations	350,150,711	242,851,139	639,602,199	457,698,359
Transportation and storage revenues	69,178,844	59,840,764	127,442,653	112,015,329
Revenues from inspection services	13,650,759	13,364,080	26,027,629	26,703,415
Sales of lubricants and supplies	2,304,262	7,296,453	4,109,294	9,661,620
	<u>3,733,492,922</u>	<u>3,066,702,172</u>	<u>6,928,862,424</u>	<u>5,983,419,778</u>

Qatar Fuel Q.S.C (Woqod)

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

At 30 June 2014

14 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>Six months ended</i>	
	<i>30 June</i>	<i>30 June</i>	<i>30 June</i>	<i>30 June</i>
	<i>2014</i>	<i>2013</i>	<i>2014</i>	<i>2013</i>
	<i>(Unaudited)</i>		<i>(Unaudited)</i>	
	<i>QR</i>	<i>QR</i>	<i>QR</i>	<i>QR</i>
Profit for the period attributable to equity holders of the parent (QR)	300,721,570	267,117,373	530,011,376	471,239,063
Weighted average number of ordinary shares outstanding during the period	84,459,375	84,459,375	84,459,375	84,459,375
Basic and diluted earnings per share	3.56	3.16	6.28	5.58

During 2013, the Company issued bonus shares for the year 2012. During 2014, the Company issued bonus shares for the year 2013. Accordingly, the previously reported earnings per share as at 30 June 2013 have been restated for the effects of this transaction.

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

	<i>30 June</i>	<i>30 June</i>
	<i>2014</i>	<i>2013</i>
	<i>QR</i>	<i>QR</i>
	<i>(Unaudited)</i>	<i>(Unaudited)</i>
		<i>(Restated)</i>
Qualifying shares at beginning of the period	64,968,750	51,975,000
Effect of bonus shares issued for 2013	-	12,993,750
Effect of bonus shares issued for 2014	19,490,625	19,490,625
Weighted average number of shares outstanding	84,459,375	84,459,375

15 CONTINGENT LIABILITIES

	<i>30 June</i>	<i>31 December</i>
	<i>2014</i>	<i>2013</i>
	<i>QR</i>	<i>QR</i>
	<i>(Unaudited)</i>	<i>(Audited)</i>
Bank guarantees	59,400	59,400
Letters of credit	74,647,150	13,455,700

Qatar Fuel Q.S.C (Woqod)

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

At 30 June 2014

16 CAPITAL COMMITMENTS

	<i>30 June 2014 QR (Unaudited)</i>	<i>31 December 2013 QR (Audited)</i>
Construction of petrol stations	<u>183,164,123</u>	<u>171,959,688</u>

17 RESTATEMENT

During the six months period ended 30 June 2014, the Company received a letter from Qatar Petroleum referring to a resolution of the Supreme Council of Economic Affairs and Investment ("Supreme Council") in relation to the application of a new price formula applicable to Jet fuel prices charged by Qatar Jet Fuel Company (Q-Jet), (Subsidiary company), to Qatar Airways. Based on the letter, a new pricing formula for the calculation of jet fuel should be applied with effect from prior periods.

The effect of applying the new pricing formula for the year ended and as at 31 December 2013 was:

Decrease in revenue for the year ended 31 December 2013 by QR 128,166,081, decrease in receivables as at 31 December 2013 by QR 156,035,350 and a written-off for impairment of receivable for the year ended 31 December 2013 by QR 27,869,276. As a result profit for the year and retained earnings decrease by QR 153,647,747.

18 COMPARATIVE INFORMATION

Except for the restatement as per note 17, comparative financial information for the previous period/ year has been reclassified, where necessary, in order to conform to the current period's presentation. Such reclassifications do not affect the previously reported net profit or shareholders' equity.