

# **Qatar Fuel Q.S.C. (WOQOD)**

## **INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

**30 SEPTEMBER 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 30 September 2014, and the related interim consolidated statements of income and comprehensive income for the three months and nine months ended 30 September 2014, the interim consolidated statements of changes in equity and cash flows for the nine months ended 30 September 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.

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

Date: 28 October 2014  
Doha

# Qatar Fuel Q.S.C (Woqod)

## INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 September 2014

	Notes	<i>30 September 2014 QR (Unaudited)</i>	<i>31 December 2013 QR (Audited) (Restated)</i>
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	6	1,537,825,248	1,535,199,953
Available-for-sale financial assets	7	1,379,723,445	990,366,636
Goodwill		<u>132,935,132</u>	<u>132,935,132</u>
<b>Total non-current assets</b>		<b><u>3,050,483,825</u></b>	<b><u>2,658,501,721</u></b>
<b>Current assets</b>			
Inventories	8	454,822,554	405,691,136
Trade and other receivables	9	3,272,264,616	2,443,401,503
Prepayments and other receivables		205,764,995	106,053,597
Cash and bank balances		<u>3,748,998,816</u>	<u>3,931,443,425</u>
<b>Total current assets</b>		<b><u>7,681,850,981</u></b>	<b><u>6,886,589,661</u></b>
<b>Total assets</b>		<b><u>10,732,334,806</u></b>	<b><u>9,545,091,382</u></b>
<b>Equity and liabilities</b>			
<b>Equity</b>			
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		345,195,871	218,514,776
Retained earnings		<u>4,986,829,933</u>	<u>4,975,308,009</u>
<b>Equity attributable to equity holders of the parent</b>		<b>6,593,465,822</b>	<b>6,260,356,553</b>
Non-controlling interest		<u>237,695,120</u>	<u>236,242,634</u>
<b>Total equity</b>		<b><u>6,831,160,942</u></b>	<b><u>6,496,599,187</u></b>
<b>Non-current liability</b>			
Employees' end of service benefits		<u>72,567,338</u>	<u>66,039,998</u>
<b>Current liability</b>			
Payables and accruals		<u>3,828,606,526</u>	<u>2,982,452,197</u>
<b>Total liabilities</b>		<b><u>3,901,173,864</u></b>	<b><u>3,048,492,195</u></b>
<b>Total equity and liabilities</b>		<b><u>10,732,334,806</u></b>	<b><u>9,545,091,382</u></b>

.....  
 Sheikh / 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 nine month period ended 30 September 2014

	Notes	<i>Three months ended 30 September</i>		<i>Nine months ended 30 September</i>	
		<i>2014</i>	<i>2013</i>	<i>2014</i>	<i>2013</i>
		<i>QR</i>	<i>QR</i>	<i>QR</i>	<i>QR</i>
		<i>(Unaudited)</i>	<i>(Unaudited)</i> <i>(Restated)</i>	<i>(Unaudited)</i>	<i>(Unaudited)</i> <i>(Restated)</i>
Revenue	13	<b>4,005,729,761</b>	3,409,393,776	<b>10,934,592,185</b>	9,392,813,554
Direct costs		<b>(3,515,390,250)</b>	(2,860,850,581)	<b>(9,591,883,851)</b>	(8,046,669,088)
<b>GROSS PROFIT</b>		<b>490,339,511</b>	548,543,195	<b>1,342,708,334</b>	1,346,144,466
General and administration expenses		<b>(219,903,958)</b>	(163,721,632)	<b>(682,730,216)</b>	(560,081,505)
Other income		<b>72,855,466</b>	22,112,655	<b>232,027,931</b>	109,010,132
<b>OPERATING PROFIT FOR THE PERIOD</b>		<b>343,291,019</b>	406,934,218	<b>892,006,049</b>	895,073,093
Interest income		<b>9,812,622</b>	9,499,504	<b>24,803,688</b>	27,798,385
<b>PROFIT FOR THE PERIOD</b>		<b>353,103,641</b>	416,433,722	<b>916,809,737</b>	922,871,478
<b>Profit for the period attributable to:</b>					
Equity holders of the parent		<b>326,104,298</b>	361,879,103	<b>856,115,674</b>	833,118,166
Non-controlling interest		<b>26,999,343</b>	54,554,619	<b>60,694,063</b>	89,753,312
		<b>353,103,641</b>	416,433,722	<b>916,809,737</b>	922,871,478
<b>Basic and diluted earnings per share</b>	14	<b>3.86</b>	4.28	<b>10.14</b>	9.86

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 nine month period ended 30 September 2014

	<i>Three months ended 30 September</i>		<i>Nine months ended 30 September</i>	
	<i>2014</i>	<i>2013</i>	<i>2014</i>	<i>2013</i>
	<i>QR</i>	<i>QR</i>	<i>QR</i>	<i>QR</i>
	<i>(Unaudited)</i>	<i>(Unaudited)</i>	<i>(Unaudited)</i>	<i>(Unaudited)</i>
		<i>(Restated)</i>		<i>(Restated)</i>
<b>Profit for the period</b>	<b>353,103,641</b>	416,433,722	<b>916,809,737</b>	922,871,478
<b>Other comprehensive income</b>				
<i>Other comprehensive income to be reclassified to profit or loss in subsequent period:</i>				
Net movement in fair value of available-for-sale financial assets	<b>139,895,582</b>	20,279,370	<b>131,439,518</b>	111,085,881
<b>Net other comprehensive income to be reclassified to profit or loss in subsequent periods</b>	<b>139,895,582</b>	20,279,370	<b>131,439,518</b>	111,085,881
<i>Other comprehensive income to not to be reclassified to profit or loss in subsequent period</i>	-	-	-	-
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>	<b>492,999,223</b>	436,713,092	<b>1,048,249,255</b>	1,033,957,359
<b>Attributable to:</b>				
Equity holders of the parent company	<b>459,549,546</b>	379,156,324	<b>982,796,769</b>	939,718,221
Non-controlling interest	<b>33,449,677</b>	57,556,768	<b>65,452,486</b>	94,239,138
	<b>492,999,223</b>	436,713,092	<b>1,048,249,255</b>	1,033,957,359

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 CHANGES IN EQUITY

For the nine month period ended 30 September 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 stated)	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
<i>Restatement (Note 17)</i>	-	-	-	-	(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	-	-	-	-	856,115,674	856,115,674	60,694,063	916,809,737
Other comprehensive income	-	-	-	126,681,095	-	126,681,095	4,758,423	131,439,518
Total comprehensive income for the period	-	-	-	126,681,095	856,115,674	982,796,769	65,452,486	1,048,249,255
Issue of bonus shares (Note 10)	194,906,250	-	-	-	(194,906,250)	-	-	-
Cash dividends paid for 2013 (Note 11)	-	-	-	-	(649,687,500)	(649,687,500)	-	(649,687,500)
Dividends paid to non-controlling interest by a subsidiary company	-	-	-	-	-	-	(64,000,000)	(64,000,000)
<b>Balance at 30 September 2014 (Unaudited)</b>	<b>844,593,750</b>	<b>386,768,034</b>	<b>30,078,234</b>	<b>345,195,871</b>	<b>4,986,829,933</b>	<b>6,593,465,822</b>	<b>237,695,120</b>	<b>6,831,160,942</b>
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	-	-	-	-	833,118,166	833,118,166	89,753,312	922,871,478
Other comprehensive income	-	-	-	106,600,055	-	106,600,055	4,485,826	111,085,881
Total comprehensive income for the period	-	-	-	106,600,055	833,118,166	939,718,221	94,239,138	1,033,957,359
Issue of bonus shares (Note 10)	129,937,500	-	-	-	(129,937,500)	-	-	-
Cash dividends paid for 2012 (Note 11)	-	-	-	-	(515,536,859)	(515,536,859)	-	(515,536,859)
Dividends paid to non-controlling interest by a subsidiary company	-	-	-	-	-	-	(130,000,000)	(130,000,000)
Balance at 30 September 2013 (Unaudited)	649,687,500	384,774,951	30,078,234	139,925,824	4,721,929,118	5,926,395,627	268,059,183	6,194,454,810

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 nine month period ended 30 September 2014

	<i>Nine months ended 30 September</i>	
	<i>2014</i>	<i>2013</i>
	<i>QR</i>	<i>QR</i>
	<i>(Unaudited)</i>	<i>(Unaudited)</i>
		<i>(Restated)</i>
<b>OPERATING ACTIVITIES</b>		
Profit for the period	<b>916,809,737</b>	922,871,478
Adjustments for:		
Depreciation of property, plant and equipment	<b>114,439,421</b>	104,143,637
Gain on disposal of property, plant and equipment	-	(27,798,385)
Provision for employees' end of service benefits	<b>15,049,804</b>	(1,592,946)
Gain on disposal of available-for-sale financial assets	<b>(45,001,057)</b>	-
Interest income	<b>(24,803,688)</b>	11,282,627
Operating profit before working capital changes	<b>976,494,217</b>	1,008,906,411
Working capital changes:		
Inventories	<b>(49,131,418)</b>	(92,169,795)
Accounts receivable and prepayments	<b>(985,352,753)</b>	(537,533,541)
Amounts due from related parties	<b>54,901,106</b>	(1,605,382)
Amounts due to a related party	<b>(229,187,796)</b>	633,742,405
Trade and other payables	<b>1,074,271,081</b>	(4,834,276)
Cash from operations	<b>841,994,437</b>	1,006,505,822
Employees' end of service benefits paid	<b>(8,522,464)</b>	(2,839,802)
Interest received	<b>24,803,688</b>	31,589,479
<b>Net cash flows from operating activities</b>	<b>858,275,661</b>	1,035,255,499
<b>INVESTING ACTIVITIES</b>		
Additions to property, plant and equipment	<b>(117,064,716)</b>	(157,726,095)
Proceeds from sale of property, plant and equipment	-	2,715,194
Proceeds from sale of available-for-sale investments	<b>155,006,531</b>	-
Purchase of available-for-sale investments	<b>(364,974,585)</b>	(236,757,620)
<b>Net cash flows used in investing activities</b>	<b>(327,032,770)</b>	(391,768,521)
<b>FINANCING ACTIVITIES</b>		
Dividend paid to non-controlling interest by a subsidiary company	<b>(64,000,000)</b>	(130,000,000)
Dividends paid	<b>(649,687,500)</b>	(515,536,860)
<b>Net cash flows used in financing activities</b>	<b>(713,687,500)</b>	(645,536,860)
<b>DECREASE IN CASH AND CASH EQUIVALENTS FOR THE PERIOD</b>	<b>(182,444,609)</b>	(2,049,882)
Cash and cash equivalents at the beginning of the period	<b>3,931,443,425</b>	3,959,662,556
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD</b>	<b>3,748,998,816</b>	3,957,612,674

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 September 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 28 October 2014.

### 2 BASIS OF PREPARATION AND CONSOLIDATION

#### 2.1 Basis of preparation

These interim condensed consolidated financial statements for the nine months ended 30 September 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 nine month period ended 30 September 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 September 2014.

<i>Name of the company</i>	<i>Country of incorporation</i>	<i>Shareholding interest</i>
Qatar Jet Fuel Company W.L.L.	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 as noted below:

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)

#### **IFRS 10 Consolidation of investment entities – Amendments to IFRS 10, IFRS 12 and IAS 27**

These amendments provide an exception to the consolidation requirement for entities that meet the definition of an investment entity under IFRS 10 Consolidated Financial Statements. The exception to consolidation requires investment entities to account for subsidiaries at fair value through profit or loss. These amendments have no impact on the Group's financial performance.

#### **IAS 32 Offsetting Financial Assets and Financial Liabilities (Amendment)**

These amendments clarify the meaning of 'currently has a legally enforceable right to set-off' and the criteria for non-simultaneous settlement mechanisms of clearing houses to qualify for offsetting. These amendments have no impact on the Group's financial performance.

#### **IAS 39 Novation of Derivatives and Continuation of Hedge Accounting (Amendment)**

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 on the Group as the Group has no derivatives during the current or prior periods.

#### **IAS 36 Recoverable Amount Disclosures for Non-Financial Assets (Amendment)**

These amendments remove the unintended consequences of IFRS 13 Fair Value Measurement on the disclosures required under IAS 36 Impairment of Assets. In addition, these amendments require disclosure of the recoverable amounts for the assets or cash-generating units (CGUs) for which an impairment loss has been recognised or reversed during the period. These amendments have no impact on the Group's financial performance.

Several other new standards and amendments apply for the first time in 2014. However, they do not impact the annual consolidated financial statements of the Group or the interim condensed consolidated financial statements of the Group.

The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

### 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 September 2014

**4 OPERATING SEGMENTS (CONTINUED)**

<i>Nine months ended 30 September 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>
<b>Revenue</b>				
External revenue	10,898,773,493	35,818,692	-	<b>10,934,592,185</b>
Inter-segment revenue	<u>5,256,840,992</u>	<u>-</u>	<u>(5,256,840,992)</u>	<u>-</u>
<b>Total revenue</b>	<u>16,155,614,485</u>	<u>35,818,692</u>	<u>(5,256,840,992)</u>	<u><b>10,934,592,185</b></u>
Reportable segment profit	<u>999,525,167</u>	<u>13,284,570</u>	<u>(96,000,000)</u>	<u><b>916,809,737</b></u>
<b>Revenue</b>				
External revenue	9,354,696,039	38,117,515	-	9,392,813,554
Inter-segment revenue	<u>4,624,212,153</u>	<u>-</u>	<u>(4,624,212,153)</u>	<u>-</u>
<b>Total revenue</b>	<u>13,978,908,192</u>	<u>38,117,515</u>	<u>(4,624,212,153)</u>	<u>9,392,813,554</u>
Reportable segment profit	<u>1,101,705,506</u>	<u>16,165,972</u>	<u>(195,000,000)</u>	<u>922,871,478</u>

Inter-segment revenues of QR 5,256,840,992 (2013: QR 4,624,212,153) are eliminated on consolidation.

**Reconciliation of profit**

	<i>For nine months ended 30 September</i>	
	<i>2014 QR (Unaudited)</i>	<i>2013 QR (Unaudited) (Restated)</i>
Segment profit	<b>1,012,809,737</b>	1,117,871,478
Inter-company dividend	<u><b>(96,000,000)</b></u>	<u>(195,000,000)</u>
Balance as at the end of the period	<u><b>916,809,737</b></u>	<u>922,871,478</u>

**Reportable segment assets and liabilities**

<i>30 September 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>11,943,697,320</u>	<u>170,869,976</u>	<u>(1,382,232,490)</u>	<u><b>10,732,334,806</b></u>
Reportable segment liabilities	<u>5,021,643,006</u>	<u>11,395,355</u>	<u>(1,131,864,497)</u>	<u><b>3,901,173,864</b></u>

## Qatar Fuel Q.S.C (Woqod)

### NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

At 30 September 2014

#### 4 OPERATING SEGMENTS (CONTINUED)

##### Reportable segment assets and liabilities (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>(1,487,555,683)</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 September 2014 (Unaudited) QR</i>	<i>31 December 2013 (Audited) (Restated) QR</i>
<b>Assets</b>		
Total assets for reportable segments	<u>10,644,044,420</u>	9,456,516,355
Other unallocated amounts	<u>88,290,386</u>	<u>88,575,027</u>
Consolidated total assets	<u>10,732,334,806</u>	<u>9,545,091,382</u>

##### Reconciliation of liabilities

	<i>30 September 2014 (Unaudited) QR</i>	<i>31 December 2013 (Audited) (Restated) QR</i>
<b>Liabilities</b>		
Total liabilities for reportable segments	<u>3,813,675,733</u>	2,962,230,745
Other unallocated amounts	<u>87,498,131</u>	<u>86,261,450</u>
Consolidated total liabilities	<u>3,901,173,864</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.

As at 30 September 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:

**5 IMPAIRMENT (CONTINUED)****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.

**6 PROPERTY, PLANT AND EQUIPMENT**

	<i>30 September 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	117,064,716	212,384,854
Disposals	-	(7,910,302)
Write off	-	(16,542,893)
	<u>2,338,466,941</u>	<u>2,221,402,225</u>
Balance as at the end of the period / year		
Depreciation:		
Balance at 1 January	686,202,272	566,459,979
Depreciation charges for the period / year	114,439,421	141,199,867
Related to disposals	-	(4,914,681)
Related to write off	-	(16,542,893)
	<u>800,641,693</u>	<u>686,202,272</u>
Balance as at the end of the period / year		
<b>Net carrying amounts</b>	<u><u>1,537,825,248</u></u>	<u><u>1,535,199,953</u></u>

## Qatar Fuel Q.S.C (Woqod)

### NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

At 30 September 2014

#### 6 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Notes:

- (i) Depreciation charges amounting to QR 114,439,421 (30 September 2013: QR 104,143,637) 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 (nine 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.

#### 7 AVAILABLE-FOR-SALE FINANCIAL ASSETS

	<i>30 September 2014 QR (Unaudited)</i>	<i>31 December 2013 QR (Audited)</i>
Qatar Electricity and Water Company Q.S.C.	<b>329,098,050</b>	195,837,542
Qatar Gas Transport Company Q.S.C.	<b>272,272,000</b>	226,800,000
Industries Qatar Q.S.C	<b>260,406,472</b>	236,211,886
Commercial Bank of Qatar Q.S.C.	<b>117,901,673</b>	25,995,211
Ooredoo Q.S.C (Formerly known as Qatar Telecom (QTEL) Q.S.C.)	<b>93,910,170</b>	97,241,324
Qatar National Bank S.A.Q.	<b>89,353,680</b>	75,783,200
Barwa Real Estate Company Q.S.C.	<b>80,928,715</b>	-
Doha Bank Q.S.C.	<b>42,354,558</b>	78,993,230
Vodafone Qatar Company Q.S.C.	<b>36,418,972</b>	47,905,091
Doha Insurance Company Q.S.C.	<b>36,367,218</b>	-
Qatar International Islamic Bank Q.S.C.	<b>10,721,937</b>	5,599,152
Mesaieed Petrochemical Holding Company Q.S.C.	<b>9,990,000</b>	-
	<b><u>1,379,723,445</u></b>	<b><u>990,366,636</u></b>
Balance as at the end of the period / year		

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

**Qatar Fuel Q.S.C (Woqod)**

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

At 30 September 2014

**7 AVAILABLE-FOR-SALE FINANCIAL ASSETS (CONTINUED)**

**Fair value hierarchy (continued)**

**Financial assets**

	<i>30 September 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><b>1,379,723,445</b></u>	<u><b>1,379,723,445</b></u>	-	-
	<i>31 December 2013 (Audited) QR</i>	<i>Level 1 QR</i>	<i>Level 2 QR</i>	<i>Level 3 QR</i>
Available-for-sale financial assets	<u><b>990,366,636</b></u>	<u><b>990,366,636</b></u>	-	-

During the period/year ended 30 September 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**

	<i>30 September 2014 QR (Unaudited)</i>	<i>31 December 2013 QR (Audited)</i>
Jet fuel oil	<b>200,445,727</b>	201,000,188
Materials and spare parts	<b>72,232,754</b>	48,486,263
Heavy fuel oil	<b>59,887,104</b>	72,631,304
Light gas fuel oil	<b>56,252,732</b>	31,301,345
Retail stores inventory	<b>24,896,753</b>	16,123,446
Refined fuel oil - premium grade	<b>17,026,081</b>	10,670,428
Refined fuel oil - super grade	<b>14,869,049</b>	12,160,699
Other inventory items	<u><b>9,212,354</b></u>	<u>13,317,463</u>
	<u><b>454,822,554</b></u>	<u>405,691,136</u>

**9 TRADE AND OTHER RECEIVABLES**

	<i>30 September 2014 QR (Unaudited)</i>	<i>31 December 2013 QR (Audited) (Restated)</i>
Trade and other receivables	<b>3,126,246,108</b>	2,372,595,846
Notes receivable	<b>76,262,724</b>	8,329,960
Due from related parties (Note 12)	<u><b>70,567,435</b></u>	<u>63,287,348</u>
Less:	<b>3,273,076,267</b>	2,444,213,154
Provision for bad and doubtful debts	<u><b>(811,651)</b></u>	<u>(811,651)</u>
	<u><b>3,272,264,616</b></u>	<u>2,443,401,503</u>

## Qatar Fuel Q.S.C (Woqod)

### NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

At 30 September 2014

#### 9 TRADE AND OTHER RECEIVABLES (CONTINUED)

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

#### 10 SHARE CAPITAL

	<i>30 September 2014 QR (Unaudited)</i>	<i>31 December 2013 QR (Audited)</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>		
84,459,375 ordinary shares (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 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:

	<i>30 September 2014 QR (Unaudited)</i>	<i>30 September 2013 QR (Unaudited)</i>
Qatar Petroleum / Purchases	<u>8,682,250,347</u>	<u>7,340,366,913</u>
Qatar Petroleum / Sales	<u>118,827,582</u>	<u>86,211,846</u>
<b>Due to a related party</b>		
	<i>30 September 2014 QR (Unaudited)</i>	<i>31 December 2013 QR (Audited)</i>
Qatar Petroleum	<u>2,166,564,853</u>	<u>2,641,812,796</u>

## Qatar Fuel Q.S.C (Woqod)

### NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

At 30 September 2014

#### 12 RELATED PARTY DISCLOSURES (CONTINUED)

##### Due from related parties

	<i>30 September 2014 QR (Unaudited)</i>	<i>31 December 2013 QR (Audited)</i>
Rasgas	34,543,837	34,813,863
Qatar Liquefied Gas Company Ltd. ("Qatar Gas")	18,407,974	17,438,765
Amwaj Catering Services	4,742,761	625,717
Gulf Drilling International ("GDI") Q.S.C.	4,155,551	3,997,401
Gulf Helicopters Q.S.C.	3,705,269	1,545,701
Qatar Aluminium ("Qatum")	1,393,926	933,753
Qatar Chemical Company Ltd. ("Q-Chem")	1,103,167	407,476
Qatar Steel Company Q.S.C.	618,919	379,471
Qatar Fertiliser Company ("QAFCO") C.Q.S.C.	523,462	133,352
Qatar Fuel Additives Company ("QAFAC") C.Q.S.C.	478,530	977,398
Qatar Petrochemical Company ("QAPCO") Q.S.C.	332,824	460,046
Oryx GTL	231,177	235,661
Al Shaheen Well Services Co.	157,897	52,929
Seef Ltd.	80,980	60,291
Gasal Q.S.C.	66,594	34,588
Qatex Limited	24,567	1,137,524
Qatar Holding Co.	-	53,412
	<u>70,567,435</u>	<u>63,287,348</u>

##### Compensation to key management personnel

	<i>Three months ended 30 September</i>		<i>Nine months ended 30 September</i>	
	<i>2014 QR (Unaudited)</i>	<i>2013 QR (Unaudited)</i>	<i>2014 QR (Unaudited)</i>	<i>2013 QR (Unaudited)</i>
Salaries and other short term benefits	3,102,663	4,994,412	9,307,986	8,490,817
Post-employment benefits	1,392,774	1,159,514	4,178,321	3,192,456
	<u>4,495,437</u>	<u>6,153,926</u>	<u>13,486,307</u>	<u>11,683,273</u>

#### 13 REVENUE

	<i>Three months ended 30 September</i>		<i>Nine months ended 30 September</i>	
	<i>2014 QR (Unaudited)</i>	<i>2013 QR (Unaudited) (Restated)</i>	<i>2014 QR (Unaudited)</i>	<i>2013 QR (Unaudited) (Restated)</i>
Sales of refined petroleum products	3,433,277,096	3,089,379,163	9,564,957,745	8,466,720,218
Sales of petrol stations	369,965,220	243,195,882	1,009,567,419	700,894,241
Transportation and storage revenues	78,753,550	64,138,330	206,196,203	176,153,659
Revenues from inspection services	9,791,064	11,414,100	35,818,693	38,117,515
Sales of lubricants and supplies	113,942,831	1,266,301	118,052,125	10,927,921
	<u>4,005,729,761</u>	<u>3,409,393,776</u>	<u>10,934,592,185</u>	<u>9,392,813,554</u>



## Qatar Fuel Q.S.C (Woqod)

### NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

At 30 September 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>Nine months ended</i>	
	<i>30 September</i>		<i>30 September</i>	
	<b>2014</b>	2013	<b>2014</b>	2013
		<i>(Restated)</i>		<i>(Restated)</i>
	<i>(Unaudited)</i>		<i>(Unaudited)</i>	
	<b>QR</b>	QR	<b>QR</b>	QR
Profit for the period (QR)	<b>326,104,298</b>	361,879,103	<b>856,115,674</b>	833,118,166
Weighted average number of shares	<b>84,459,375</b>	84,459,375	<b>84,459,375</b>	84,459,375
Basic and diluted earnings per share (QR)	<b>3.86</b>	4.28	<b>10.14</b>	9.86

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 30 September 2013 have been restated for the effects of this transaction.

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

	<i>30 September</i>	<i>30 September</i>
	<b>2013</b>	2012
	<b>QR</b>	QR
	<i>(Unaudited)</i>	<i>(Unaudited)</i>
		<i>(Restated)</i>
Qualifying shares at beginning of the period	<b>64,968,750</b>	51,975,000
Effect of bonus shares issued for 2013	-	12,993,750
Effect of bonus shares issued for 2014	<b>19,490,625</b>	19,490,625
Weighted average number of shares outstanding	<b>84,459,375</b>	84,459,375

#### 15 CONTINGENT LIABILITIES

	<i>30 September</i>	<i>31 December</i>
	<b>2014</b>	2013
	<b>QR</b>	QR
	<i>(Unaudited)</i>	<i>(Audited)</i>
Bank guarantees	<b>117,854</b>	59,400
Letters of credit	<b>44,179,278</b>	13,455,700

**16 CAPITAL COMMITMENTS**

	<i>30 September 2014 QR (Unaudited)</i>	<i>31 December 2013 QR (Audited)</i>
Construction of petrol stations	<u>170,774,443</u>	<u>171,959,688</u>

**17 RESTATEMENT**

During the nine months period ended 30 September 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, the pricing formula for the calculation of jet fuel should be applied with effect from prior periods.

The effect of applying the new pricing formula was:

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