

QATAR FUEL COMPANY (WOQOD) Q.P.S.C.

**CONDENSED CONSOLIDATED
INTERIM FINANCIAL STATEMENTS**

**AS AT AND FOR THE SIX MONTH PERIOD ENDED
30 JUNE 2019**

Qatar Fuel Company (WOQOD) Q.P.S.C.

Condensed consolidated interim financial statements
As at and for the six month period ended 30 June 2019

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Independent auditor's report on review of condensed consolidated interim financial statements to the Board of Directors of Qatar Fuel Company (WOQOD) Q.P.S.C.

Introduction

We have reviewed the accompanying condensed consolidated statement of financial position of Qatar Fuel Company (WOQOD) Q.P.S.C. (the "Group") as at 30 June 2019, the condensed consolidated statements of profit or loss, condensed consolidated statements of profit or loss and other comprehensive income, changes in equity and cash flows for the six-month period then ended, and notes to the condensed consolidated interim financial statements.

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

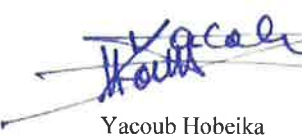

Scope of Review

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

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed consolidated interim financial statements as at and for the six months ended 30 June 2019 are not prepared, in all material respects, in accordance with IAS 34 Interim Financial Reporting.

17 July 2019
Doha
State of Qatar

Yacoub Hobeika
KPMG
Qatar Auditors' Registration Number 289
Licensed by QFMA : External Auditor's
License No. 120153

QATAR FUEL COMPANY (WOQOD) Q.P.S.C.

Condensed consolidated statement of financial position

As at 30 June 2019

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

		30 June 2019	31 December 2018
	Note	(Reviewed)	(Audited)
ASSETS			
Non-current assets			
Property, plant and equipment	6	2,896,593	2,661,163
Investment properties		889,505	906,226
Investment securities	7	1,517,919	1,485,015
Goodwill	8	132,935	132,935
Total non-current assets		<u>5,436,952</u>	<u>5,185,339</u>
Current assets			
Inventories		362,349	422,450
Trade receivables		2,044,745	2,951,400
Prepayments and other receivables		178,228	220,404
Cash and bank balances	9	4,011,146	4,995,186
Total current assets		<u>6,596,468</u>	<u>8,589,440</u>
TOTAL ASSETS		<u>12,033,420</u>	<u>13,774,779</u>
EQUITY AND LIABILITIES			
EQUITY			
Share capital	10	994,256	994,256
Legal reserve		498,915	497,791
Fair value reserve		35,809	(7,485)
Revaluation surplus		531,793	531,793
Retained earnings		5,750,071	6,014,885
Equity attributable to equity holders of the parent		<u>7,810,844</u>	<u>8,031,240</u>
Non – controlling interests		184,091	247,383
TOTAL EQUITY		<u>7,994,935</u>	<u>8,278,623</u>
LIABILITIES			
Non-current liabilities			
Trade and other payables		232,776	232,776
Finance lease liability		100,849	25,441
Employees' end of service benefits		97,686	91,544
Total non-current liabilities		<u>431,311</u>	<u>349,761</u>
Current liabilities			
Finance lease liability		18,225	6,325
Trade and other payables		3,588,949	5,140,070
Total current liabilities		<u>3,607,174</u>	<u>5,146,395</u>
TOTAL LIABILITIES		<u>4,038,485</u>	<u>5,496,156</u>
TOTAL EQUITY AND LIABILITIES		<u>12,033,420</u>	<u>13,774,779</u>

These condensed consolidated interim financial statements were approved by the Board of Directors and signed on its behalf by the following on 17 July 2019:



Ahmad Saif Al-Sulaiti

Chairman




Saad Rashid Al-Muhannadi

Managing Director and CEO

The notes on pages 7 to 15 form an integral part of these condensed consolidated interim financial statements.

QATAR FUEL COMPANY (WOQOD) Q.P.S.C.

Condensed consolidated statement of profit or loss

For the six month period ended 30 June 2019

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

		For the six months period ended 30 June	
		2019	2018
	<i>Note</i>	(Reviewed)	(Reviewed)
Revenues	13	10,963,654	10,817,151
Cost of sales		<u>(10,385,468)</u>	<u>(10,250,256)</u>
Gross profit		578,186	566,895
Other income		199,312	192,408
General and administrative expenses		<u>(209,641)</u>	<u>(221,607)</u>
Net profit for the period		<u>567,857</u>	<u>537,696</u>
Attributable to:			
Owners of the Company		548,275	503,217
Non-controlling interest		<u>19,582</u>	<u>34,479</u>
Net profit for the period		<u>567,857</u>	<u>537,696</u>
Basic earnings per share (expressed in QR per share)	14	<u>0.55</u>	<u>0.51</u>

The notes on pages 7 to 15 form an integral part of these condensed consolidated interim financial statements.

QATAR FUEL COMPANY (WOQOD) Q.P.S.C.

Condensed consolidated statement of profit or loss and other comprehensive income For the six month period ended 30 June 2019

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

	For the six months period ended 30 June	
	2019 (Reviewed)	2018 (Reviewed)
Net profit for the period	<u>567,857</u>	<u>537,696</u>
Other comprehensive income		
<i>Items that are or may be reclassified subsequently to profit or loss</i>		
Net change in fair value of investment securities	-	(7,897)
<i>Items that will not be reclassified subsequently to profit or loss</i>		
Net change in fair value of investment securities	<u>21,199</u>	<u>476</u>
Other comprehensive income / (loss) for the period	<u>21,199</u>	<u>(7,421)</u>
Total comprehensive income for the period	<u>589,056</u>	<u>530,275</u>
Attributable to:		
Owners of the company	568,496	495,341
Non-controlling interest	<u>20,560</u>	<u>34,934</u>
	<u>589,056</u>	<u>530,275</u>

The notes on pages 7 to 15 form an integral part of these condensed consolidated interim financial statements.

QATAR FUEL COMPANY (WOQOD) Q.P.S.C.

**Condensed consolidated statement of changes in equity
For the six month period ended 30 June 2019**

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

	Attributable to the Owners of the company							Non- Controlling Interest	Total Equity
	Share Capital	Legal Reserve	Fair value Reserve	Revaluation Surplus	Retained Earnings	Total			
Balance at 1 January 2019	994,256	497,791	(7,485)	531,793	6,014,885	8,031,240	247,382	8,278,622	
Total comprehensive income for the period:	-	-	-	-	548,275	548,275	19,582	567,857	
Net profit for the period	-	-	43,294	-	(23,073)	20,221	978	21,199	
Other comprehensive gain for the period	-	-	43,294	-	525,202	568,496	20,560	589,056	
Total comprehensive income for the period	-	1,124	-	-	5,389	6,513	-	6,513	
Sale of fractional / forfeited shares	-	-	-	-	(795,405)	(795,405)	-	(795,405)	
Cash dividends paid for 2018	-	-	-	-	-	-	-	-	
Dividends paid to non-controlling interest	-	-	-	-	-	-	(83,851)	(83,851)	
Balance at 30 June 2019 (Reviewed)	994,256	498,915	35,809	531,793	5,750,071	7,810,844	184,091	7,994,935	
Balance at 1 January 2018 (Audited)	994,256	497,128	(128,075)	-	5,708,491	7,071,800	290,060	7,361,860	
Adjustment on initial application of IFRS 9	-	-	(165,031)	-	118,383	(46,648)	2,965	(43,683)	
Adjusted balance at 1 January 2018 (Audited)	994,256	497,128	(293,106)	-	5,826,874	7,025,152	293,025	7,318,177	
Total comprehensive income for the period:	-	-	-	-	503,217	503,217	34,479	537,696	
Net profit for the period	-	-	118,874	-	(126,750)	(7,876)	455	(7,421)	
Other comprehensive income for the period	-	-	118,874	-	376,467	495,341	34,934	530,275	
Total comprehensive income for the period	-	663	-	-	63	726	-	726	
Sale of fractional shares	-	-	-	-	(795,405)	(795,405)	-	(795,405)	
Cash dividends paid for 2017	-	-	-	-	-	-	-	-	
Dividends paid to non-controlling interest	-	-	-	-	-	-	(131,955)	(131,955)	
Balance at 30 June 2018 (Reviewed)	994,256	497,791	(174,232)	-	5,407,999	6,725,814	196,004	6,921,818	

The notes on pages 7 to 15 form an integral part of these condensed consolidated interim financial statements.

QATAR FUEL COMPANY (WOQOD) Q.P.S.C.

**Condensed consolidated statement of cash flows
For the six month period ended 30 June 2019**

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

	For the six months period ended 30 June	
	2019	2018
	(Reviewed)	(Reviewed)
CASH FLOWS FROM OPERATING ACTIVITIES		
Net profit for the period	567,857	537,696
<i>Adjustments for:</i>		
Depreciation on property, plant and equipment	109,587	94,221
Depreciation on investment properties	16,721	16,029
Provision for debtors and inventories	71,043	74,045
Provision for employees' end of service benefits	28,544	2,302
Gain on sale of property, plant and equipment	(5,907)	(262)
Dividend income	(85,478)	(82,612)
Interest income	(83,828)	(67,329)
	<u>618,539</u>	<u>574,090</u>
<i>Changes in:</i>		
- inventories	41,562	(44,144)
- trade receivable and prepayments	902,087	(708,886)
- trade and other payables	(1,458,483)	(62,872)
Cash generated from / (used) in operating activities	<u>103,705</u>	<u>(241,812)</u>
Employees' end of service benefits paid	(22,402)	(16,616)
Interest received	83,828	67,329
Net cash generated from / (used) in operating activities	<u>165,131</u>	<u>(191,099)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sale of property, plant and equipment	7,090	704
Additions to property, plant and equipment	(351,959)	(214,147)
Dividends received	85,478	82,612
Proceeds from sale of fraction shares	1,183	726
Purchase of investment securities	(673,572)	(469,632)
Proceeds from sale of investment securities	661,865	633,320
Net movement in fixed deposit accounts	14,316	(725,886)
Net cash used in investing activities	<u>(255,599)</u>	<u>(692,303)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividends paid	(795,405)	(795,405)
Dividends paid to non-controlling interest	(83,851)	(131,955)
Net cash used in financing activities	<u>(879,256)</u>	<u>(927,360)</u>
Net decrease in cash and cash equivalents	(969,724)	(1,810,762)
Cash and cash equivalents at 1 January	3,164,394	3,172,478
Cash and cash equivalents at 30 June	<u>2,194,670</u>	<u>1,361,716</u>

The notes on pages 7 to 15 form an integral part of these condensed consolidated interim financial statements.

QATAR FUEL COMPANY (WOQOD) Q.P.S.C.

Notes to the condensed consolidated interim financial statements For the six month period ended 30 June 2019

1 REPORTING ENTITY

Qatar Fuel Company (WOQOD) Q.P.S.C (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, vehicle inspection services, marine bunkering, bitumen, transportation of oil and gas and real estate services. Woqod International, a subsidiary of the Group, is established to undertake foreign investments for the parent company. However, the Group mainly operates in the State of Qatar.

These condensed consolidated interim financial statements include the financial information of the controlled subsidiaries listed below:

Name of subsidiaries	Country	Group Effective Shareholding	
		2019	2018
Qatar Fuel Jet Company W.L.L.	Qatar	60%	60%
WOQOD Vehicle Inspection Company (“FAHES”) W.L.L.	Qatar	100%	100%
WOQOD Marine Services Company W.L.L.	Qatar	100%	100%
WOQOD International Company W.L.L.	Qatar	100%	100%
WOQOD Kingdom Company W.L.L.	KSA	100%	100%
Ard Al Khaleej Real Estate W.L.L.	Qatar	100%	100%
Polaris Marine Services L.L.C.	Oman	100%	-
Sidra Al Ghariya Shipping Co.	Republic of Liberia	100%	100%
Sidra Al Wajbah Shipping Co.	Republic of Liberia	100%	100%
Ocean Marine Services Limited	Republic of Liberia	100%	100%
Sidra Ras Laffan Shipping Co.	Republic of Liberia	100%	100%
Sidra Al Wakra Shipping Co.	Republic of Liberia	100%	100%
Sidra Al Rumeila Shipping Co.	Republic of Liberia	100%	100%
Sidra Messaied Shipping Co.	Republic of Liberia	100%	100%
Horizon Marine Services Limited	Republic of Liberia	100%	100%

The condensed consolidated interim financial statements of the Group for the six month period ended 30 June 2019 were authorised for issue in accordance with a resolution of the Board of Directors on 17 July 2019.

2 BASIS OF ACCOUNTING

These condensed consolidated interim financial statements have been prepared in accordance with IAS 34 “Interim Financial Reporting” and should be read in conjunction with the Group’s last annual consolidated financial statements as at and for the year ended 31 December 2018 (“last annual consolidated financial statements”). They do not include all of the information required for a complete set of IFRS financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group’s financial position and performance since the last annual financial statements. In addition, the results for the six-month period ended 30 June 2019 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2019.

The condensed consolidated interim financial statements are prepared in Qatar Riyals, which is the Group’s presentation functional currency. All financial information is rounded to the nearest thousands of Qatari Riyals except where specifically stated.

This is the first set of the Group’s financial statements where IFRS 16 has been applied. Changes to significant accounting policies are described in Note 4.

QATAR FUEL COMPANY (WOQOD) Q.P.S.C.

Notes to the condensed consolidated interim financial statements For the six month period ended 30 June 2019

3 USE OF JUDGMENTS AND ESTIMATES

In preparing these condensed consolidated interim financial statements, management make judgments and estimates that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates.

The significant judgements made by management in applying the Group's accounting policies and key sources of estimation uncertainty were the same as those described in the last annual financial statements, except for new significant judgements related to lessee accounting under IFRS 16, which are described in Note 4.

Measurement of fair values

The Group has an established control framework with respect to the measurement of fair values. If third party information, such as broker quotes or pricing services, is used to measure fair values, then the valuation team assesses the evidence obtained from the third parties to support the conclusion that these valuations meet the requirements of IFRS, including the level in the fair value hierarchy in which the valuations should be classified. Significant valuation issues are reported to the group audit committee.

When measuring the fair value of an asset or a liability, the Group uses market observable data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows.

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

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

4 CHANGES IN SIGNIFICANT ACCOUNTING POLICIES

Except as described below, the accounting policies applied in these interim financial statements are the same as those applied in the last annual financial statements.

The changes in accounting policies are also expected to be reflected in the Group's consolidated financial statements as at and for the year ending 31 December 2019.

The Group has initially adopted IFRS 16 Leases from 1 January 2019. A number of other new standards are effective from 1 January 2019 but they do not have a material effect on the Group's financial statements.

IFRS 16 introduced a single, on-balance sheet accounting model for lessees. As a result, the Group, as a lessee, has recognised right-of-use assets representing its rights to use the underlying assets and lease liabilities representing its obligation to make lease payments. Lessor accounting remains similar to previous accounting policies.

The Group has applied the simplified transition approach and has not restated comparative amounts, prior to the date of adoption of the standard. As allowed under IFRS 16, right-of-use assets are measured at the amount of the lease liability on adoption (adjusted for any prepaid or accrued lease expenses).

a) Definition of a lease

Previously, the Group determined at contract inception whether an arrangement was or contained a lease under IFRIC 4 *Determining Whether an Arrangement contains a Lease*. The Group now assesses whether a contract is or contains a lease based on the new definition of a lease. Under IFRS 16, a contract is, or contains, a lease if the contract conveys a right to control the use of an identified asset for a period of time in exchange for consideration.

On transition to IFRS 16, the Group elected to apply the practical expedient to grandfather the assessment of which transactions are leases. It applied IFRS 16 only to contracts that were previously identified as leases. Contracts that were not identified as leases under IAS 17 and IFRIC 4 were not reassessed. Therefore, the definition of a lease under IFRS 16 has been applied only to contracts entered into or changed on or after 1 January 2019.

QATAR FUEL COMPANY (WOQOD) Q.P.S.C.

Notes to the condensed consolidated interim financial statements For the six month period ended 30 June 2019

4 CHANGES IN SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

a) Definition of a lease (continued)

At inception or on reassessment of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease and non-lease component on the basis of their relative stand-alone prices. However, for leases of properties in which it is a lessee, the Group has elected not to separate non-lease components and will instead account for the lease and non-lease components as a single lease component.

b) As a lessee

The Group leases many assets, including properties, vehicles and IT equipment. As a lessee, the Group previously classified leases as operating or finance leases based on its assessment of whether the lease transferred substantially all of the risks and rewards of ownership. Under IFRS 16, the Group recognises right-of-use assets and lease liabilities for most leases – i.e. these leases are on-balance sheet.

However, the Group has elected not to recognise right-of-use assets and lease liabilities for some leases of low-value assets (e.g. IT equipment). The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

The carrying amounts of right-of-use assets are as below.

<i>(Amounts in thousands of QR)</i>	Property	Vehicles	Total
Balance at 1 January 2019	-	31,550	31,550
Balance at 30 June 2019	59,007	60,943	119,950

i) Significant accounting policies

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, and subsequently at cost less any accumulated depreciation and impairment losses, and adjusted for certain re-measurements of the lease liability. When a right-of-use asset meets the definition of investment property, it is presented in investment property. The right-of-use asset is initially measured at cost, and subsequently measured at fair value, in accordance with the Group's accounting policies.

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

The lease liability is subsequently increased by the interest cost on the lease liability and decreased by lease payment made. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, a change in the estimate of the amount expected to be payable under a residual value guarantee, or as appropriate, changes in the assessment of whether a purchase or extension option is reasonably certain to be exercised or a termination option is reasonably certain not to be exercised.

The Group has applied judgement to determine the lease term for some lease contracts in which it is a lessee that include renewal options. The assessment of whether the Group is reasonably certain to exercise such options impacts the lease term, which significantly affects the amount of lease liabilities and right-of-use assets recognised.

ii) Transition

Previously, the Group classified property leases as operating leases under IAS 17. These include land for petrol stations, warehouse and accommodation facilities. The leases typically run for a period of 3 to 25 years. Some leases include an option to renew the lease for an additional period after the end of the non-cancellable period.

QATAR FUEL COMPANY (WOQOD) Q.P.S.C.

**Notes to the condensed consolidated interim financial statements
For the six month period ended 30 June 2019**

4 CHANGES IN SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

b) As a lessee (continued)

ii) Transition (continued)

At transition, for leases classified as operating leases under IAS 17, lease liabilities were measured at the present value of the remaining lease payments, discounted at the Group's incremental borrowing rate as at 1 January 2019. Right-of-use assets are measured at either:

- their carrying amount as if IFRS 16 had been applied since the commencement date, discounted using the lessee's incremental borrowing rate at the date of initial application; or
- an amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments – the Group applied this approach to all leases.

The Group used the following practical expedients when applying IFRS 16 to leases previously classified as operating leases under IAS 17.

- Applied the exemption not to recognise right-of-use assets and liabilities for leases with less than 12 months of lease term.
- Excluded initial direct costs from measuring the right-of-use asset at the date of initial application.
- Used hindsight when determining the lease term if the contract contains options to extend or terminate the lease.

c) As a lessor

The Group leases out its investment property, including right-of-use assets. The Group has classified these leases as operating leases.

The accounting policies applicable to the Group as a lessor are not different from those under IAS 17. However, when the Group is an intermediate lessor the sub-leases are classified with reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset.

The Group is not required to make any adjustments on transition to IFRS 16 for leases in which it acts as a lessor. However, the Group has applied IFRS 15 *Revenue from Contracts with Customers* to allocate consideration in the contract to each lease and non-lease component.

d) Impacts on financial statements

i) Impacts on transition

On transition to IFRS 16, the Group recognised additional right-of-use assets and additional lease liabilities. The impact on transition is summarised below.

Line item impacted in the financial statements <i>(Amounts in thousands of QR)</i>	1 January 2019
Right-of-use assets presented in property, plant and equipment	69,140
Lease liabilities	66,289

When measuring lease liabilities for leases that were classified as operating leases, the Group discounted lease payments using its incremental borrowing rate at 1 January 2019. The weighted average rate applied is 5%.

Line item impacted in the financial statements <i>(Amounts in thousands of QR)</i>	1 January 2019
Operating lease commitment at 31 December 2018 as disclosed in the Group's consolidated financial statements	95,789
Discounted using the incremental borrowing rate at 1 January 2019	(9,589)
Recognition exemption for leases with less than 12 months of lease term at Transition	(19,911)
Lease liabilities recognised at 1 January 2019	66,289

QATAR FUEL COMPANY (WOQOD) Q.P.S.C.

Notes to the condensed consolidated interim financial statements For the six month period ended 30 June 2019

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

4 CHANGES IN SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

d) Impacts on financial statements (continued)

ii) Impacts for the period

As a result of initially applying IFRS 16, in relation to the leases that were previously classified as operating leases, the Group recognised QAR 65,344 thousand of right-of-use assets and QAR 63,586 thousand of lease liabilities as at 30 June 2019.

Also in relation to those leases under IFRS 16, the Group has recognised depreciation and interest costs, instead of operating lease expense. During the six months ended 30 June 2019, the Group recognised QAR 9,419 thousand of depreciation charges and QAR 1,617 thousand of interest costs from these leases.

5 OPERATING SEGMENTS

The Group is mainly engaged in sale and distribution of refined petroleum products, technical inspection of vehicles and marine transportation. More than 95% of the Group's revenue is generated through a single segment i.e. sale and distribution of refined petroleum products. The Company's geographical segment is State of Qatar.

6 PROPERTY, PLANT AND EQUIPMENT

	30 June 2019 (Reviewed)	31 December 2018 (Audited)
Cost		
At 1 January	4,189,366	3,049,939
Additions	351,959	615,232
Revaluation	-	531,793
Disposals / transfers	(60,577)	(7,598)
At the end of period / year	<u>4,480,748</u>	<u>4,189,366</u>
Accumulated depreciation		
At 1 January	1,528,203	1,342,502
Depreciation charge for the period / year	109,587	190,417
Disposals / Transfers	(53,635)	(4,716)
At the end of period / year	<u>1,584,155</u>	<u>1,528,203</u>
Net carrying amount	<u>2,896,593</u>	<u>2,661,163</u>

The Group has received Government aid in the form of non-monetary assets (67 plots of land located in State of Qatar) for the purpose of constructing and operating petrol stations.

For seven plots of land (accounted at fair value of QR 531.8 million), the title deeds have been transferred to the Group and accounted for using the revaluation model. A right to use has been granted by the Ministry of Municipality and Urban Planning for sixty plots of land.

The Group has 8 (2018: 8) vessels that operate mainly in supplying bunkers, marine fuel and bitumen.

All the vessels are owned by Woqod Marine Services Company W.L.L - a subsidiary of the Parent.

7 INVESTMENT SECURITIES

Investment securities represents the investments in shares of listed entities on the Qatar Exchange. At the reporting date, the details of the closing balances were as follows:

	30 June 2019 (Reviewed)	31 December 2018 (Audited)
Investments	<u>1,517,919</u>	<u>1,485,015</u>

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7 INVESTMENT SECURITIES (CONTINUED)

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 2019 and 31 December 2018, the Group held the following classes of financial instruments measured at fair value:

Financial assets

	<u>30 June 2019</u> <i>(Reviewed)</i>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Investment securities at FVOCI	<u>1,409,354</u>	<u>1,409,354</u>	<u>-</u>	<u>-</u>
	<u>31 December 2018</u> <i>(Audited)</i>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Investment securities at FVOCI	<u>1,469,011</u>	<u>1,469,011</u>	<u>-</u>	<u>-</u>

During the period/year ended 30 June 2019 and 31 December 2018, 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 GOODWILL

	30 June 2019 <i>(Reviewed)</i>	31 December 2018 <i>(Audited)</i>
Relating to Qatar Jet Fuel Company W.L.L. (Q-Jet)	57,700	57,700
Relating to Woqod Vehicles Inspection Company W.L.L. (Fahes)	<u>75,235</u>	<u>75,235</u>
	<u>132,935</u>	<u>132,935</u>

As on 31 December 2018, the Group conducted an internal evaluation to assess and identify the instances of any indication of impairment on goodwill. The evaluation was mainly based on the financial data of the relevant subsidiaries and took into account the business environment in which these subsidiaries operate. Based on this exercise, the Group concluded that there were no indications of impairment that warrant a full impairment review.

The management will review any changes that may occur in 2019 which may result into management re-measuring the Goodwill.

9 CASH AND BANK BALANCES

	30 June 2019 <i>(Reviewed)</i>	31 December 2018 <i>(Audited)</i>
Cash	274	62
Balances with banks		
- Current and call accounts	201,444	471,851
- Fixed deposits	<u>1,992,952</u>	<u>2,692,481</u>
Cash and cash equivalents	<u>2,194,670</u>	<u>3,164,394</u>
Fixed deposits having maturity more than 3 months	<u>1,816,476</u>	<u>1,830,792</u>
Cash and bank balances	<u>4,011,146</u>	<u>4,995,186</u>

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10 SHARE CAPITAL

	30 June 2019 (Reviewed)	31 December 2018 (Audited)
Authorized 1,000,000,000 ordinary shares of QR 1 each (2018: 100,000,000 shares of QR 10 each)	<u>1,000,000</u>	<u>1,000,000</u>
Issued 994,255,760 ordinary shares of QR 1 each (2018: 99,425,576 shares of QR 10 each)	<u>994,256</u>	<u>994,256</u>

During the period, the Company has split the existing shares of QR 10 each to QR 1 each. Refer to note 14.

11 DIVIDENDS

The shareholders of the company approved at the Annual General Assembly meeting held on 25 March 2019 a cash dividend of QR 8 per share to shareholders with a total amounting to QR 795.4 million for the year ended 31 December 2018. (2018: the shareholders approved a cash dividend of QR 8 per share with a total amounting to QR 795.4 million for the year ended 31 December 2017).

12 RELATED PARTY DISCLOSURE

The Group enters into transactions with companies and entities that fall within the definition of a related party as contained in International Accounting Standard No. 24, Related Party Disclosures. Related parties comprise companies under common ownership and/or common management and control, key management personnel, entities in which the shareholders have controlling interest, affiliates and other related parties.

The Group enters into transactions with Qatar Petroleum (QP), Government Department, and other entities which are under significant influence or control of QP. All such transactions are carried out in normal course of business.

a) Transactions made with related parties

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

	30 June 2019 (Reviewed)	30 June 2018 (Reviewed)
Qatar Petroleum / Purchases	<u>9,335,642</u>	<u>9,957,286</u>
Qatar Petroleum / Sales	<u>94,440</u>	<u>80,707</u>

b) Compensation to key management personnel

	Six months period ended 30 June	
	2019 (Reviewed)	2018 (Reviewed)
Salaries and other short term benefits and post-employment benefits	<u>11,584</u>	<u>10,484</u>

13 REVENUE

	Six months period ended 30 June	
	2019 (Reviewed)	2018 (Reviewed)
Sale and distribution of petroleum products	10,189,240	10,161,451
Sale of non-fuel products	591,923	502,499
Sale of lubricants and supplies	109,341	115,086
Revenues from inspection services	73,150	38,115
	<u>10,963,654</u>	<u>10,817,151</u>

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14 BASIC EARNING PER SHARE

Basic earnings per share is calculated by dividing the net profit for the period attributable to the owners of the Group by the weighted average number of ordinary outstanding shares during the period as follows:

	Six months period ended 30 June	
	2019 <i>(Reviewed)</i>	2018 <i>(Reviewed)</i>
Profit for the period attributable to the owners of the Company	<u>548,275</u>	<u>503,217</u>
Weighted average number of shares outstanding during the period	<u>994,256</u>	<u>994,256</u>
Basic earnings per share (in QR)	<u>0.55</u>	<u>0.51</u>

As per the instructions from Qatar Financial Markets Authority, the Extraordinary General Assembly on 25 March 2019 approved 10 new shares with a par value of QR 1 each in exchange for 1 existing share with a par value of QR 10 each. This led to an increase in the number of authorised and outstanding shares from 99,425,576 to 994,255,760. Consequently, weighted average number of shares outstanding has been retrospectively adjusted.

15 COMMITMENTS AND CONTINGENCIES

Commitments

Operating lease commitments – Group as a lessee

The Group has entered into leases on certain plots of land and some residential properties. These leases have an average life of between three to five years with no renewal options in the contracts. There are no restrictions placed upon the Group by entering into these leases. Future minimum rentals payable under non-cancellable operating leases as at 30 June 2019 are, as follows.

	30 June 2019 <i>(Reviewed)</i>	31 December 2018 <i>(Audited)</i>
Within one year	3,358	25,151
After one year but not more than five years	4,311	34,467
More than five years	-	36,171
	<u>7,669</u>	<u>95,789</u>

Operating lease commitments – Group as a lessor

The Group has entered into commercial leases for shops/spaces at petrol stations and for diesel tanks with customers. These non-cancellable leases have remaining term of less than one year. All leases include a clause to enable upward revision of the rental charge on an annual basis according to prevailing market conditions.

	30 June 2019 <i>(Reviewed)</i>	31 December 2018 <i>(Audited)</i>
Within one year	104,009	120,009
After one year but not more than five years	<u>205,421</u>	<u>205,145</u>
	<u>309,430</u>	<u>325,154</u>

Capital commitments

	30 June 2019 <i>(Reviewed)</i>	31 December 2018 <i>(Audited)</i>
Capital commitments	<u>411,675</u>	<u>216,097</u>

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15 COMMITMENTS AND CONTINGENCIES (CONTINEUD)

Commitments (continued)

Contingent liabilities

	30 June 2019 (Reviewed)	31 December 2018 (Audited)
Bank guarantees	<u>102,002</u>	<u>99,587</u>
Letters of credit	<u>10,223</u>	<u>2,348</u>

The above guarantees and letters of credits have been issued in the ordinary course of business and the Group anticipates no material liabilities from these.

16 COMPARATIVE FIGURES

Comparative figures for the previous period / year has been reclassified, where necessary, in order to conform to the current period's presentation. However, such reclassifications did not have any effect on the net profit or equity of the comparative period / year.