

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

**CONDENSED CONSOLIDATED
INTERIM FINANCIAL STATEMENTS**

**AS AT AND FOR THE SIX MONTHS PERIOD ENDED
30 JUNE 2022**

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

Condensed consolidated interim financial statements
As at and for the six months period ended 30 June 2022

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INDEPENDENT AUDITOR'S REVIEW REPORT

The Board of Directors
Qatar Fuel Company Q.P.S.C. (WOQOD)
Doha, Qatar

Introduction

We have reviewed the accompanying condensed consolidated interim statement of financial position of Qatar Fuel Company Q.P.S.C. (WOQOD) (the "Company") and its subsidiaries (together the "Group") as at 30 June 2022, and the related condensed consolidated interim statements of profit or loss, other comprehensive income, changes in equity and cash flows for the six months period then ended, and a summary of significant accounting policies and other explanatory notes. Management is responsible for the preparation and presentation of these condensed consolidated interim financial statements in accordance with International Accounting Standard 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 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 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 for the period ended 30 June 2022 are not prepared, in all material respects, in accordance with International Accounting Standard 34 "Interim Financial Reporting".

Doha – Qatar
26 July 2022

For Deloitte & Touche
Qatar Branch


Midhat Salha
Partner
License No 257
QFMA Auditor License No. 120156



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

Condensed consolidated interim statement of financial position

As at 30 June 2022

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

	Notes	30 June 2022 (Reviewed)	31 December 2021 (Audited)
ASSETS			
Non-current assets			
Property, plant and equipment	6	3,255,957	3,149,365
Right-of-use assets		127,272	146,880
Investment properties	7	891,777	899,954
Investments	8	4,241,977	4,106,169
Goodwill and intangible assets	9	136,661	135,376
Total non-current assets		8,653,644	8,437,744
Current assets			
Inventories		439,004	447,942
Due from related parties		374,171	285,873
Trade receivables	10	2,262,235	2,070,333
Prepayments and other receivables		186,825	158,470
Cash and bank balances	11	2,527,652	1,907,740
Total current assets		5,789,887	4,870,358
TOTAL ASSETS		14,443,531	13,308,102
EQUITY AND LIABILITIES			
EQUITY			
Share capital	12	994,256	994,256
Legal reserve		498,914	498,914
Fair value reserve		128,120	240,413
Revaluation surplus		504,703	504,703
Retained earnings		6,709,267	6,800,728
Equity attributable to equity holders of the parent		8,835,260	9,039,014
Non – controlling interests		106,666	138,481
TOTAL EQUITY		8,941,926	9,177,495
LIABILITIES			
Non-current liabilities			
Finance lease liabilities		91,785	109,792
Employees' end of service benefits		107,329	97,947
Decommissioning provision		25,211	24,596
Total non-current liabilities		224,325	232,335
Current liabilities			
Due to related parties		4,306,383	2,954,489
Finance lease liabilities		39,334	40,934
Trade and other payables		931,563	902,849
Total current liabilities		5,277,280	3,898,272
TOTAL LIABILITIES		5,501,605	4,130,607
TOTAL EQUITY AND LIABILITIES		14,443,531	13,308,102

These condensed consolidated interim financial statements were approved by the Board of Directors and signed on its behalf by the following on 26 July 2022:


Ahmad Saif Al-Sulaiti
Chairman


Saad Rashid Al-Muhannadi
Managing Director and CEO

This statement has been prepared by the Group and stamped by the Auditors for identification purposes only. The notes on pages 7 to 14 form an integral part of these condensed consolidated interim financial statements.



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

Condensed consolidated interim statement of profit or loss

For the six months period ended 30 June 2022

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

	Notes	For the six months period ended 30 June	
		2022 (Reviewed)	2021 (Reviewed)
Revenues	15	13,735,240	8,312,634
Cost of sales		(13,257,152)	(7,811,128)
Gross profit		478,088	501,506
Other income		184,606	157,509
General and administrative expenses	16	(146,324)	(184,957)
Net profit for the period		516,370	474,058
Attributable to:			
Equity holders of the Parent		501,318	461,137
Non-controlling interests		15,052	12,921
Net profit for the period		516,370	474,058
Basic and diluted earnings per share (expressed in QR per share)	17	0.50	0.46



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

Condensed consolidated interim statement of other comprehensive income

For the six months period ended 30 June 2022

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

	For the six months period ended	
	30 June	
	2022	2021
	(Reviewed)	(Reviewed)
Net profit for the period	516,370	474,058
Other comprehensive income		
<i>Items that will not be reclassified to profit or loss in subsequent periods</i>		
Net change in fair value of investment at fair value through other comprehensive income (FVOCI)	51,695	(5,557)
Other comprehensive income / (loss) for the period	51,695	(5,557)
Total comprehensive income for the period	<u>568,065</u>	<u>468,501</u>
Attributable to:		
Equity holders of the Parent	551,880	457,055
Non-controlling interests	16,185	11,446
	<u>568,065</u>	<u>468,501</u>



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

**Condensed consolidated interim statement of changes in equity
For the six months period ended 30 June 2022**

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

	Attributable to the equity holders of the Parent					Total	Non-Controlling Interest	Total Equity
	Share Capital	Legal Reserve	Fair value Reserve	Revaluation Surplus	Retained Earnings			
Balance at 1 January 2022 (Audited)	994,256	498,914	240,413	504,703	6,800,728	9,039,014	138,481	9,177,495
Total comprehensive income for the period:								
Net profit for the period	-	-	-	-	501,318	501,318	15,052	516,370
Other comprehensive income for the period	-	-	(112,293)	-	162,855	50,562	1,133	51,695
Total comprehensive income for the period	-	-	(112,293)	-	664,173	551,880	16,185	568,065
Cash dividends paid for 2021 (Note 13)	-	-	-	-	(755,634)	(755,634)	-	(755,634)
Dividends paid to non-controlling interests	-	-	-	-	-	-	(48,000)	(48,000)
Balance at 30 June 2022 (Reviewed)	994,256	498,914	128,120	504,703	6,709,267	8,835,260	106,666	8,941,926
Balance at 1 January 2021 (Audited)	994,256	498,914	158,339	511,713	6,267,782	8,431,004	155,865	8,586,869
Total comprehensive income for the period:								
Net profit for the period	-	-	-	-	461,137	461,137	12,921	474,058
Other comprehensive loss for the period	-	-	(14,220)	-	10,138	(4,082)	(1,475)	(5,557)
Total comprehensive income for the period	-	-	(14,220)	-	471,275	457,055	11,446	468,501
Cash dividends paid for 2020 (Note 13)	-	-	-	-	(457,358)	(457,358)	-	(457,358)
Dividends paid to non-controlling interests	-	-	-	-	-	-	(48,000)	(48,000)
Balance at 30 June 2021 (Reviewed)	994,256	498,914	144,119	511,713	6,281,699	8,430,701	119,311	8,550,012



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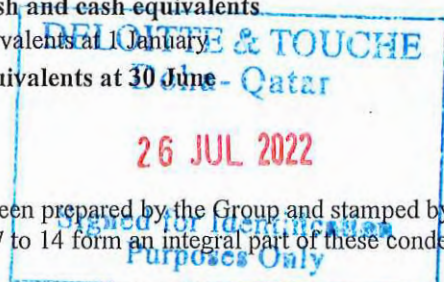
QATAR FUEL COMPANY Q.P.S.C. (WOQOD)

Condensed consolidated interim statement of cash flows

For the six months period ended 30 June 2022

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

	Note	For the six months period ended 30 June	
		2022 (Reviewed)	2021 (Reviewed)
CASH FLOWS FROM OPERATING ACTIVITIES			
Net profit for the period		516,370	474,058
<i>Adjustments for:</i>			
Depreciation on property, plant and equipment		81,360	80,341
Depreciation on right-of-use assets		20,747	20,377
Depreciation on investment properties		8,177	8,114
Amortisation of intangible assets		762	504
Impairment of trade receivables		18,036	56,045
Decommissioning provision		615	586
Provision for employees' end of service benefits		13,168	8,660
Loss on write off / sale of property, plant and equipment		17	25
Dividend income		(83,625)	(60,832)
Interest income		(55,892)	(59,641)
Operating gain before workings capital changes		519,735	528,237
<i>Changes in:</i>			
- inventories		8,938	(137,596)
- due from related parties		(88,298)	(85,257)
- trade receivable and prepayments		(238,293)	(1,059,745)
- trade and other payables		28,714	(39,189)
- due to related parties		1,351,894	1,331,415
Cash generated from operating activities		1,582,690	537,865
Employees' end of service benefits paid		(3,786)	(3,854)
Interest income received		55,892	59,641
Net cash generated from operating activities		1,634,796	593,652
CASH FLOWS FROM INVESTING ACTIVITIES			
Additions to property, plant and equipment		(187,969)	(34,124)
Additions to investment properties		-	(9,328)
Additions to intangible assets		(2,047)	(858)
Dividend income received		83,625	60,832
Net movement in investments		(84,110)	(61,202)
Net movement in fixed deposit maturing after three months		569,067	(2,299)
Net cash generated from / (used in) investing activities		378,566	(46,979)
CASH FLOWS FROM FINANCING ACTIVITIES			
Dividends paid		(755,634)	(457,358)
Dividends paid to non-controlling interest		(48,000)	(48,000)
Lease payments		(20,749)	(19,443)
Net cash used in financing activities		(824,383)	(524,801)
Net increase in cash and cash equivalents		1,188,979	21,872
Cash and cash equivalents at 1 January		1,335,373	1,511,210
Cash and cash equivalents at 30 June	11	2,524,352	1,533,082



This statement has been prepared by the Group and stamped by the Auditors for identification purposes only. The notes on pages 7 to 14 form an integral part of these condensed consolidated interim financial statements.

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

Notes to the condensed consolidated interim financial statements

For the six months period ended 30 June 2022

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

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 Company is listed on Qatar Stock Exchange. The Company’s registered office address is P.O. Box 7777, Doha, State of Qatar.

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, vessel chartering 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	
		2022	2021
Qatar Jet Fuel 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%	100%
Sidra Al Ghariya Shipping Company	Republic of Liberia	100%	100%
Sidra Al Wajbah Shipping Company	Republic of Liberia	100%	100%
Ocean Marine Services Limited	Republic of Liberia	100%	100%
Sidra Al Ruwais Shipping Company	Republic of Liberia	100%	100%
Orbit Marine Services Limited	Republic of Liberia	100%	100%
Sidra Al Rumeila Shipping Company	Republic of Liberia	100%	100%
Sidra Messaied Shipping Company	Republic of Liberia	100%	100%
Horizon Marine Services Limited	Republic of Liberia	100%	100%
Sidra Doha Shipping Company	Republic of Liberia	100%	100%
Sidra Al Khor Shipping Company	Republic of Liberia	100%	100%

The condensed consolidated interim financial statements of the Group for the six months period ended 30 June 2022 were authorised for issue in accordance with a resolution of the Board of Directors on 26 July 2022.

2 BASIS OF ACCOUNTING

These condensed consolidated interim financial statements for the six months period ended 30 June 2022 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 2021 (‘last annual consolidated financial statements’). They do not include all of the information required for a complete set of financial statements in accordance with IFRS Standards. 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, results for the six months period ended 30 June 2022 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2022.

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

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

Notes to the condensed consolidated interim financial statements

For the six months period ended 30 June 2022

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

3 USE OF JUDGMENTS AND ESTIMATES

In preparing these condensed consolidated interim financial statements, management made 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, the key sources of estimation uncertainty and financial risk management objectives and policies were the same as those that applied to the Group's annual consolidated financial statements for the year ended 31 December 2021.

4 SIGNIFICANT ACCOUNTING POLICIES

The accounting policies used in the preparation of these condensed consolidated interim financial statements are consistent with those used in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2021, and the notes attached thereto, except for the adoption of certain new and revised standards, that became effective in the current period as set out below.

Application of new and revised International Financial Reporting Standards (IFRSs)

Revised standards

During the current period, below amended IFRS became effective for the first time;

- Annual Improvements to IFRS Standards 2018–2020
- Property, Plant and Equipment: Proceeds before Intended Use (Amendments to IAS 16)
- Reference to the Conceptual Framework (Amendments to IFRS 3)

The adoption of above amended standards had no significant impact on the Group's condensed consolidated interim financial statements.

Standards issued but not yet effective

A number of new standards and amendments to standards are effective for annual periods beginning after 1 January 2023 and earlier application is permitted. The Group has not early adopted any of the forthcoming new or amended standards in preparing these condensed consolidated interim financial statements.

5 OPERATING SEGMENTS

Information regarding the Group's reportable segments is set out below in accordance with IFRS 8 Operating Segments. IFRS 8 requires reportable segments to be identified on the basis of internal reports that are regularly reviewed by the Group's Chief Operating Decision Maker ("CODM") and used to allocate resources to the segments and to assess their performance.

For management purposes, the Group is organized into business units based on their products and services. Accordingly, the Group has identified single reportable operating segment i.e. sale and distribution of refined petroleum products. All other business units are combined as others. The Group's geographical segment is State of Qatar and Sultanate of Oman. Almost all the Group's revenue, net profit and assets result from its operations in the State of Qatar.

The following tables present revenue and profit information regarding the Group's operating segments as follows:

For the six months period ended 30 June 2022 (Reviewed):

	Sale of fuel products and related services	Others	Consolidation elimination	Total
Revenue				
External sales	13,624,024	111,216	-	13,735,240
Inter-segments sales	81,995	19,683	(101,678)	-
Total revenue	13,706,019	130,899	(101,678)	13,735,240
Results				
Segment profit	535,573	52,797	(72,000)	516,370

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

Notes to the condensed consolidated interim financial statements

For the six months period ended 30 June 2022

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

5 OPERATING SEGMENTS (CONTINUED)

For the six months period ended 30 June 2021 (Reviewed):

	Sale of fuel products and related services	Others	Consolidation elimination	Total
Revenue				
External sales	8,206,807	105,827	-	8,312,634
Inter-segments sales	65,167	21,632	(86,799)	-
Total revenue	8,271,974	127,459	(86,799)	8,312,634
Results				
Segment profit	509,194	36,864	(72,000)	474,058

The following table presents segment assets of the Group's operating segments as follows:-

	Sale of fuel products and related services	Others	Consolidation elimination	Total
Segment assets				
At 30 June 2022 (Reviewed)	12,040,494	2,692,248	(289,211)	14,443,531
At 31 December 2021 (Audited)	10,999,851	2,595,829	(287,578)	13,308,102

6 PROPERTY, PLANT AND EQUIPMENT

	30 June 2022 (Reviewed)	31 December 2021 (Audited)
Cost		
At 1 January	5,144,202	5,005,724
Additions	187,969	157,595
Revaluation	-	(7,010)
Impairment	-	(220)
Disposals / transfers	(150)	(11,887)
At the end of period / year	5,332,021	5,144,202
Accumulated depreciation		
At 1 January	1,994,837	1,830,912
Depreciation charge for the period / year	81,360	164,253
Disposals / Transfers	(133)	(328)
At the end of period / year	2,076,064	1,994,837
Net carrying amount	3,255,957	3,149,365

The Group has received Government aid in the form of non-monetary assets (6 plots of land located in State of Qatar) and the title deeds for these plots have been transferred to the Group. The plots were accounted for using revaluation model, based on the latest external valuations used as of 31 December 2021. Management is of the opinion that the value of these plots is not materially different as of 30 June 2022.

Further, a right to use has been granted by the Ministry of Municipality and Urban Planning ("Municipality") for ninety-two (92) plots of land for the purpose of constructing and operating petrol stations, of which, the Group has received draft lease contracts for only 10 lands from the Municipality in 2021 and these are in the process of finalization.

The Group has 10 (2021: 10) vessels, of which seven vessels are owned by Woqod Marine Services Company W.L.L and three vessels are owned by Polaris Marine Services L.L.C.

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

Notes to the condensed consolidated interim financial statements

For the six months period ended 30 June 2022

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

7 INVESTMENT PROPERTIES

Investment properties are carried at cost, net of accumulated depreciation and any impairment in value.

The total fair value of investment properties as at 31 December 2021 was QR 1,620 million, which was determined by independent external property valuers, having appropriate recognised professional qualifications and recent experience in the location and category of the property being valued.

The management of the Group believes that fair value of investment properties as at 30 June 2022 approximates the same as reported on 31 December 2021.

The fair value measurement for all the investment properties has been categorized as a Level 3 fair value.

8 INVESTMENTS

Investments represents the investments in shares of listed entities on the Qatar Exchange and long-term deposits. As at the reporting date, the details of the closing balances were as follows:

	30 June 2022 (Reviewed)	31 December 2021 (Audited)
Investments at FVOCI	1,535,297	1,806,764
Investment current account	423,002	15,727
Long term deposits	2,283,678	2,283,678
	<u>4,241,977</u>	<u>4,106,169</u>

The respective fair value of these investments is disclosed in Note 19.

9 GOODWILL AND INTANGIBLE ASSETS

	30 June 2022 (Reviewed)	31 December 2021 (Audited)
Goodwill	132,935	132,935
Intangible assets	3,726	2,441
	<u>136,661</u>	<u>135,376</u>

As on 30 June 2022, 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.

10 TRADE RECEIVABLES

	30 June 2022 (Reviewed)	31 December 2021 (Audited)
Trade receivables	2,440,963	2,231,025
Less: Allowance for impairment of trade receivables	(178,728)	(160,692)
	<u>2,262,235</u>	<u>2,070,333</u>

The aging for trade receivables is as follows:

	30 June 2022 (Reviewed)	31 December 2021 (Audited)
Current	1,777,145	992,935
1-90 Days	274,044	933,269
91-180 Days	74,804	109,716
181-270 Days	81,634	42,274
271-365 Days	85,362	10,422
More than 365 days	147,974	142,409
	<u>2,440,963</u>	<u>2,231,025</u>

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

Notes to the condensed consolidated interim financial statements

For the six months period ended 30 June 2022

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

10 TRADE RECEIVABLES (CONTINUED)

Movement in the allowance for impairment of trade receivables:

	30 June 2022 (Reviewed)	31 December 2021 (Audited)
At 1 January	160,692	173,971
Charge for the period/ year	18,036	2,593
Reversal of provision	-	(15,872)
Balance at the end of the period/ year	<u>178,728</u>	<u>160,692</u>

The Group believes that the unimpaired amounts that are past due by more than 30 days are still collectible, based on historic payment behavior and extensive analysis of customer credit risk, including underlying customers credit ratings, when available. Majority of the above receivables are either secured against a bank guarantee or are receivable from government entities.

11 CASH AND BANK BALANCES

	30 June 2022 (Reviewed)	31 December 2021 (Audited)
Cash	660	668
Balances with banks		
- Current and call accounts	148,591	142,669
- Fixed deposits having maturity less than 3 months	<u>2,375,101</u>	<u>1,192,036</u>
Cash and cash equivalents	2,524,352	1,335,373
Fixed deposits having maturity more than 3 months	<u>3,300</u>	<u>572,367</u>
Cash and bank balances	<u>2,527,652</u>	<u>1,907,740</u>

Balances with banks are assessed to have low credit risk of default since these banks are highly regulated by Qatar Central Bank. None of the balances with banks at the end of reporting period are past due, and taking into account the historical default experience and the current credit ratings of the bank, management of the Group have assessed that there is no significant impairment on these balances.

12 SHARE CAPITAL

	30 June 2022 (Reviewed)	31 December 2021 (Audited)
Authorized		
1,000,000,000 ordinary shares of QR 1 each	<u>1,000,000</u>	<u>1,000,000</u>
Issued and fully paid up share capital		
994,255,760 ordinary shares of QR 1 each	<u>994,256</u>	<u>994,256</u>

13 DIVIDENDS

The shareholders of the Company approved at the Annual General Assembly meeting held on 27 February 2022 a cash dividend of QR 0.76 per share to shareholders with a total amounting to QR 755.6 million for the year ended 31 December 2021. (2021: the shareholders approved a cash dividend of QR 0.46 per share with a total amounting to QR 457.4 million for the year ended 31 December 2020).

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

Notes to the condensed consolidated interim financial statements

For the six months period ended 30 June 2022

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

14 RELATED PARTIES 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.

a) Transactions made with related parties

The Group, in the normal course of business, carries out major transactions with QatarEnergy. Sales transactions to QatarEnergy are at arm's length and purchases from QatarEnergy are in accordance with approved contractual terms. QatarEnergy represents 99.4% of due to related parties.

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

	Six months period ended 30 June	
	2022 (Reviewed)	2021 (Reviewed)
QatarEnergy / Purchases	12,349,059	7,289,857
QatarEnergy / Sales	91,911	64,953

b) Key management personnel

	Six months period ended 30 June	
	2022 (Reviewed)	2021 (Reviewed)
Salaries and other short-term benefits and post-employment benefits	17,247	16,318

15 REVENUES

The Group derives its revenue from contracts with customers for the transfer of goods and services as follows;

	Six months period ended 30 June	
	2022 (Reviewed)	2021 (Reviewed)
Sale and distribution of petroleum products	13,341,542	7,935,703
Sale of non-fuel products and services	393,698	376,931
	13,735,240	8,312,634

Sale of non-fuel products and services include QR. 21,190 thousand (2021: 19,295 thousand) of revenue for transfer of services over time. Remaining revenue is derived for the transfer of goods and services at a point in time.

16 GENERAL AND ADMINISTRATIVE EXPENSES

	Six months period ended 30 June	
	2022 (Reviewed)	2021 (Reviewed)
Staff cost and other expenses	96,643	94,126
Other general and administrative expenses	32,207	34,786
	128,850	128,912
Allowance for impairment of trade receivables (i)	17,474	56,045
	146,324	184,957

(i) Allowance for impairment of trade receivables has been created in line with IFRS requirements. Refer Note 10.

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17 BASIC AND DILUTED EARNINGS PER SHARE

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

	Six months period ended 30 June	
	2022 (Reviewed)	2021 (Reviewed)
Profit for the period attributable to the equity holders of the Parent	<u>501,318</u>	<u>461,137</u>
Weighted average number of shares outstanding during the period (thousand shares)	<u>994,256</u>	<u>994,256</u>
Basic and diluted earnings per share (in QR)	<u>0.50</u>	<u>0.46</u>

There were no potentially dilutive shares outstanding at any time during the period and therefore the diluted earnings per share are equal to the basic earnings per share.

18 COMMITMENTS AND CONTINGENCIES

Capital commitments

	30 June 2022 (Reviewed)	31 December 2021 (Audited)
Capital commitments	<u>84,508</u>	<u>211,150</u>

Contingent liabilities

	30 June 2022 (Reviewed)	31 December 2021 (Audited)
Bank guarantees	<u>132,406</u>	<u>131,912</u>
Letters of credit	<u>-</u>	<u>531</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.

19 FAIR VALUE OF FINANCIAL INSTRUMENTS

The fair value of bank balances, trade receivables, trade payables, and other current liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

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 prices (unadjusted) prices in active markets for identical assets or liabilities that the Group can access at the measurement date;

Level 2: Inputs other than quoted prices included within level 1 that are observable for the assets of liability, either directly or indirectly; and

Level 3: Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

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19 FAIR VALUE OF FINANCIAL INSTRUMENTS (CONTINUED)

Fair value hierarchy (continued)

The following table provides the fair value measurement hierarchy of the Group's financial assets and liabilities at 30 June 2022 and 31 December 2021:

Assets:	30 June 2022 (Reviewed)	Level 1	Level 2	Level 3
Financial assets measured at fair value				
Investments at FVOCI	1,535,297	1,535,297	-	-
Assets:	31 December 2021 (Audited)	Level 1	Level 2	Level 3
Financial assets measured at fair value				
Investments at FVOCI	1,806,764	1,806,764	-	-

Financial assets

During the period/year ended 30 June 2022 and 31 December 2021, 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.

20 COMPARATIVE FIGURES

Certain figures presented for the prior period have been reclassified where necessary to preserve consistency with the current period figures. However, such reclassifications did not have any effect on the net profit or the equity of the comparative period.