

QATAR FUEL COMPANY Q.S.C. (“WOQOD”)

CONSOLIDATED FINANCIAL STATEMENT

31 DECEMBER 2016

Qatar Fuel Company Q.S.C. (“WOQOD”)

Consolidated financial statements

As at and for the year ended 31 December 2016

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**INDEPENDENT AUDITOR'S REPORT
TO THE SHAREHOLDERS OF QATAR FUEL COMPANY (WOQOD) Q.S.C.**

Report on the audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Qatar Fuel Company (WOQOD) Q.S.C. (the "Company") and its subsidiaries (the "Group"), which comprise the consolidated statement of financial position as at 31 December 2016, and the consolidated statements of profit or loss, profit or loss and other comprehensive income, cash flows and changes in equity for the year then ended, and notes, comprising significant accounting policies and other explanatory information.

In our opinion the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at 31 December 2016, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements that are relevant to our audit of the consolidated financial statements in State of Qatar and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

Without qualifying our opinion, we draw attention to note 28 of the financial statements, which describes the fact that the Company has an outstanding exposure against one of the suppliers. These amounts have been disputed by the Company. Management is of the view that no provisions are needed against this exposure in the consolidated financial statements.

Other Matters

The consolidated financial statements of the Company as at 31 December 2015 were audited by another auditor whose reports dated 15 February 2016, expressed unmodified opinion on these financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current year. Those matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on those matters.



Independent auditors' report – Qatar Fuel Company (WOQOD) Q.S.C. (Continued)

See note 2,3 and 11 to the consolidated financial statements	
<u>Impairment allowance for trade receivables</u>	<u>How the matter was addressed in our audit</u>
<p>We focused on this area because:</p> <ul style="list-style-type: none"> • The Group has receivables of QR 2,328,107,287 (2015: QR 1,768,184,741) representing 21 % of the Group's total assets as at 31 December 2016. • Impairment allowance is based on the Group's judgment in estimating when an impairment event has occurred and the present value of expected future cash flows being lower than carrying value, which are inherently uncertain. 	<p>Our audit procedures in this area included, among other things:</p> <ul style="list-style-type: none"> • Testing key controls over the process of customers on boarding, setting the credit limit and guarantees; and collection of receipts; • Testing the ageing of receivables on a sample basis; • Challenging the Group's assumptions on the cash flow projections considering available market information; • Evaluating the reasonableness of the impairment allowance for old and doubtful receivables; • We assessed the adequacy of the Group's disclosure in relation to the impairment provisions by reference to the requirements of the relevant accounting standards.
See note 2,3,5 and 6 to the consolidated financial statements	
<u>Depreciation of property, plant, equipment and investment properties</u>	<u>How the matter was addressed in our audit</u>
<ul style="list-style-type: none"> • We focused on this area because items of PPE and investment properties on the consolidated statement of financial position represent 24 % of the Group's total assets. • Due to the judgement involved in estimating useful life and the materiality of the carrying value of property, plant, equipment and investment properties, we determine the depreciation of property, plant, equipment and investment properties to be key audit matter. 	<p>Our audit procedures in this area included, among others:</p> <ul style="list-style-type: none"> • evaluating the key controls in property, plant and equipment process and investment properties over the base data and estimation of useful life and residual values; • evaluating the recognition criteria applied to the costs incurred and capitalised during the financial year against the requirements of the relevant accounting standards; • assessing the depreciation methodology used and the appropriateness of the key assumptions based on our industry knowledge recalculating the depreciation charges and comparing it with the depreciation charges reported in the consolidated financial statements; • We assessed the adequacy of the Group's disclosure in relation to the depreciation on property plant equipment and investment properties by reference to the requirements of the relevant accounting standards.



Independent auditors' report – Qatar Fuel Company (WOQOD) Q.S.C. (Continued)

See note 2,3 and 9 to the consolidated financial statements	
Inventory valuation and provision for slow moving stock .	How the matter was addressed in our audit
<p>We focused on this area because:</p> <ul style="list-style-type: none"> • Provision for slow moving inventories amounting to QR 64,188,047 represent 6% of the Group's total general and administrative expenses. • The Group makes significant judgement in estimating the net realizable value of inventories along with the assessment of the level of inventory provision required in respect of slow moving inventories. 	<p>Our audit procedures in this area included, among others:</p> <ul style="list-style-type: none"> • Evaluating the key controls in the identification of slow moving inventories and valuations of inventories; • Testing the ageing of inventories on a sample basis; • Assessing the appropriateness of the provisioning policies in the Group's by reference to industry practices and comparing the consistency with the historical data on provisioning; • Testing sales subsequent to the year-end for sample of inventory items to check whether sale price were higher/lower than the reported carrying values of such inventory items; • We assessed the adequacy of the Group's disclosure in relation to the valuation of inventories by reference to the requirements of the relevant accounting standards.

Other information

The Board of Directors is responsible for the other information. The other information comprises the information included in the annual report but does not include the consolidated financial statements and our auditor's report thereon. Prior to the date of this auditor's report, we obtained the report of the Board of Directors which forms part of the annual report, and the remaining sections of the annual report are expected to be made available to us after that date.

Our opinion on the consolidated financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we have obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.



Independent auditors' report – Qatar Fuel Company (WOQOD) Q.S.C. (Continued)

Responsibilities of the Board of Directors for the Consolidated Financial Statements

The Board of Directors is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS, and for such internal control as the Board of Directors determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the Board of Directors is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISA will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with ISA, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.
- Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.



Independent auditors' report – Qatar Fuel Company (WOQOD) Q.S.C. (Continued)

We communicate with the Board of Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.


We also provide the Board of Directors with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.


From the matters communicated with the Board of Directors, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current year, and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other legal and regulatory requirements

We have obtained all the information and explanations we considered necessary for the purposes of our audit. The Company has maintained proper accounting records and its consolidated financial statements are in agreement therewith. Furthermore, the physical count of inventories was carried out in accordance with established principles. We have read the report of the Board of Directors to be included in the annual report, and the financial information contained therein is in agreement with the books and records of the Company. We are not aware of any violations of the provisions of the Qatar Commercial Companies Law No. 11 of 2015 or the terms of the Articles of Association and the amendments thereto having occurred during the year which might have had a material adverse effect on the Company's consolidated financial position or performance as at and for the year ended 31 December 2016.

16 February 2017
Doha
State of Qatar


Yacoub Hobeika
KPMG
Qatar Auditors' Registry Number 289



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

Consolidated statement of financial position At 31 December 2016

In Qatari Riyals

		31 December 2016	31 December 2015 (Restated)	1 January 2015 (Restated)
ASSETS	<i>Note</i>			
Non-current assets				
Property, plant and equipment	5	1,769,515,698	1,492,264,318	1,394,326,296
Investment properties	6	913,406,962	967,875,178	172,345,726
Available for sale financial assets	7	1,667,535,867	1,647,258,919	1,406,239,626
Goodwill	8	132,935,132	132,935,132	132,935,132
Total non-current assets		<u>4,483,393,659</u>	<u>4,240,333,547</u>	<u>3,105,846,780</u>
Current assets				
Inventories	9	280,495,030	370,788,026	412,630,652
Due from related parties	10 (a)	484,262,131	360,702,302	211,626,415
Trade receivables	11	2,328,107,287	1,768,184,741	2,515,303,879
Prepayments and other receivables	12	595,385,088	440,771,106	284,958,006
Cash and banks	13	3,168,034,796	2,400,286,929	3,937,702,865
Total current assets		<u>6,856,284,332</u>	<u>5,340,733,104</u>	<u>7,362,221,817</u>
TOTAL ASSETS		<u>11,339,677,991</u>	<u>9,581,066,651</u>	<u>10,468,068,597</u>
EQUITY AND LIABILITIES				
EQUITY				
Share capital	14	912,161,250	844,593,750	844,593,750
Legal reserve	15	456,080,625	428,250,269	422,296,875
General reserve		30,078,234	30,078,234	30,078,234
Fair value reserve	16	125,568,778	138,561,858	267,400,889
Retained earnings		5,500,053,424	5,426,985,683	5,168,387,385
Equity attributable to equity holders of the parent		<u>7,023,942,311</u>	<u>6,868,469,794</u>	<u>6,732,757,133</u>
Non – controlling interests		258,495,739	271,288,186	255,458,524
TOTAL EQUITY		<u>7,282,438,050</u>	<u>7,139,757,980</u>	<u>6,988,215,657</u>
LIABILITIES				
Non-current liabilities				
Employees' end of service benefits	17	136,412,116	90,604,661	76,294,853
Total non-current liabilities		<u>136,412,116</u>	<u>90,604,661</u>	<u>76,294,853</u>
Current liabilities				
Trade and other payables	18	497,788,536	471,708,198	2,058,573,215
Due to related parties	10 (b)	3,423,039,289	1,878,995,812	1,344,984,872
Total current liabilities		<u>3,920,827,825</u>	<u>2,350,704,010</u>	<u>3,403,558,087</u>
TOTAL LIABILITIES		<u>4,057,239,941</u>	<u>2,441,308,671</u>	<u>3,479,852,940</u>
TOTAL EQUITY AND LIABILITIES		<u>11,339,677,991</u>	<u>9,581,066,651</u>	<u>10,468,068,597</u>

These consolidated financial statements were approved by the Board of Directors and signed on its behalf by the following on 16 February 2017:



Saoud Bin Abdulrahman Al-Thani

Chairman



Ibrahim Al-Kuwari

Chief Executive Officer



Jaber Al-Hédfa

Chief Financial and
Administration Officer

The notes on pages 11 to 43 form an integral part of these consolidated financial statements.

QATAR FUEL COMPANY Q.S.C. (“WOQOD”)

Consolidated statement of profit or loss For the year ended 31 December 2016

In Qatari Riyals

	<i>Note</i>	2016	2015 <i>(Restated)</i>
Revenues	19	13,843,943,202	13,187,501,587
Cost of sales		<u>(12,254,864,015)</u>	<u>(11,485,794,622)</u>
Gross profit		1,589,079,187	1,701,706,965
Other income	21	475,168,515	496,899,320
General and administrative expenses	20	<u>(1,089,223,495)</u>	<u>(1,048,635,112)</u>
Net profit for the period		<u>975,024,207</u>	<u>1,149,971,173</u>
Attributable to:			
Owners of the company		883,110,228	1,050,060,646
Non-controlling interest		<u>91,913,979</u>	<u>99,910,527</u>
Net profit for the period		<u>975,024,207</u>	<u>1,149,971,173</u>
Basic earnings per share	22	<u>9.68</u>	<u>11.51</u>

The notes on pages 11 to 43 form an integral part of these consolidated financial statements.

QATAR FUEL COMPANY Q.S.C. (“WOQOD”)

Consolidated statement of profit or loss and other comprehensive income For the year ended 31 December 2016

In Qatari Riyals

	2016	2015 (Restated)
Net profit for the period	<u>975,024,207</u>	<u>1,149,971,173</u>
Other comprehensive income		
<i>Items that are or may be reclassified subsequently to profit or loss</i>		
Net change in fair value of available for sale financial assets	(17,699,506)	(140,919,896)
Other comprehensive loss for the period	<u>(17,699,506)</u>	<u>(140,919,896)</u>
Total comprehensive income for the period	<u>957,324,701</u>	<u>1,009,051,277</u>
Attributable to:		
Owners of the company	870,117,148	921,221,615
Non-controlling interest	87,207,553	87,829,662
	<u>957,324,701</u>	<u>1,009,051,277</u>

The notes on pages 11 to 43 form an integral part of these consolidated financial statements.

QATAR FUEL COMPANY Q.S.C. (“WOQOD”)

Consolidated statement of changes in equity For the year ended 31 December 2016

In Qatari Riyals

	Attributable to the owners of the company						Non-controlling interests	Total Equity
	Share capital	Legal reserve	General reserve	Fair value reserve	Retained earnings	Total		
Balance at 1 January 2015 as previously reported	844,593,750	422,296,875	30,078,234	267,400,889	5,199,525,118	6,763,894,866	255,458,524	7,019,353,390
Impact of correction of errors	-	-	-	-	(31,137,733)	(31,137,733)	-	(31,137,733)
Balance at 1 January 2015 (restated)	844,593,750	422,296,875	30,078,234	267,400,889	5,168,387,385	6,732,757,133	255,458,524	6,988,215,657
<i>Total comprehensive income for the year:</i>								
Net profit for the year	-	-	-	-	1,253,118,913	1,253,118,913	103,609,903	1,356,728,816
Impact of correction of errors (Note 27)	-	-	-	136,892,799	(203,058,267)	(66,165,468)	(3,699,376)	(69,864,844)
Net profit for the year (Restated)	-	-	-	136,892,799	1,050,060,646	1,186,953,445	99,910,527	1,286,863,972
Other comprehensive income for the year	-	-	-	(265,731,830)	-	(265,731,830)	(12,080,865)	(277,812,695)
Total comprehensive income for the year	-	-	-	(128,839,031)	1,050,060,646	921,221,615	87,829,662	1,009,051,277
Cash dividends paid for 2014 (Note 23)	-	-	-	-	(760,134,375)	(760,134,375)	-	(760,134,375)
Contribution to social and sports fund	-	-	-	-	(31,327,973)	(31,327,973)	-	(31,327,973)
Transfer to legal reserve (Note 15)	-	5,953,394	-	-	-	5,953,394	-	5,953,394
Dividends paid to non-controlling interest by a subsidiary company	-	-	-	-	-	-	(72,000,000)	(72,000,000)
Balance at 31 December 2015 (Restated)	844,593,750	428,250,269	30,078,234	138,561,858	5,426,985,683	6,868,469,794	271,288,186	7,139,757,980
Balance at 1 January 2016 (Restated)	844,593,750	428,250,269	30,078,234	138,561,858	5,426,985,683	6,868,469,794	271,288,186	7,139,757,980
<i>Total comprehensive income for the period:</i>								
Net profit for the year	-	-	-	-	883,110,228	883,110,228	91,913,979	975,024,207
Other comprehensive loss for the year	-	-	-	(12,993,080)	-	(12,993,080)	(4,706,426)	(17,699,506)
Total comprehensive income for the year	-	-	-	(12,993,080)	883,110,228	870,117,148	87,207,553	957,324,701
Transfer to legal reserve (Note 15)	-	27,830,356	-	-	(27,830,356)	-	-	-
Bonus shares issued	67,567,500	-	-	-	(67,567,500)	-	-	-
Cash dividends paid for 2015 (Note 23)	-	-	-	-	(692,566,875)	(692,566,875)	-	(692,566,875)
Contribution to social and sports fund	-	-	-	-	(22,077,756)	(22,077,756)	-	(22,077,756)
Dividends paid to non-controlling interest by a subsidiary company	-	-	-	-	-	-	(100,000,000)	(100,000,000)
Balance at 31 December 2016	912,161,250	456,080,625	30,078,234	125,568,778	5,500,053,424	7,023,942,311	258,495,739	7,282,438,050

The notes on pages 11 to 43 form an integral part of these consolidated financial statements.

QATAR FUEL COMPANY Q.S.C. (“WOQOD”)
**Consolidated statement of cash flows
For the year ended 31 December 2016**
In Qatari Riyals

	Note	2016	2015 (Restated)
CASH FLOWS FROM OPERATING ACTIVITIES			
Net profit for the year		975,024,207	1,149,971,173
<i>Adjustments for:</i>			
Depreciation on property, plant and equipment	5	198,422,486	171,441,815
Depreciation on investment properties	6	54,468,216	6,978,158
Impairment of property, plant and equipment	20	14,391,075	-
Impairment loss of available for sale investments	7	20,448,205	136,892,799
Impairment for bad and doubtful debts	11 (d)	81,562,538	773,572
Impairment for slow moving inventories	9	64,188,047	133,798
Provision for employees' for end of service benefits	17	51,427,851	19,763,170
Loss / (gain) on sale of property, plant and equipment		12,673,249	(13,263,072)
Gain on sale of available for sale investments	21	-	(46,713,865)
Dividend income	21	(89,430,204)	(82,497,124)
Interest income	21	(59,748,633)	(49,642,823)
		<u>1,323,427,037</u>	<u>1,293,837,601</u>
<i>Changes in:</i>			
- Inventories		26,104,949	41,708,828
- due from related parties		(123,559,829)	(149,075,887)
- trade receivable and prepayments		(796,099,066)	559,204,494
- trade and other payables (4)		4,002,582	165,156,476
- due to related parties		<u>1,544,043,477</u>	<u>(1,218,010,553)</u>
Cash generated from operating activities		<u>1,977,919,150</u>	<u>692,820,959</u>
Employees' end of service benefits paid	17	(5,620,396)	(5,453,362)
Interest received	21	59,748,633	49,642,823
Net cash from operating activities		<u>2,032,047,387</u>	<u>737,010,420</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from sale of property, plant and equipment		3,634,423	50,170,000
Proceeds from sale of available for sale investments (1) , (2)		482,578,652	537,719,192
Purchase of property, plant and equipment	5	(506,372,613)	(306,286,766)
Purchase of investment properties	6	-	(802,507,610)
Dividends received		89,430,204	82,497,124
Proceeds from sale of fraction shares		-	5,953,394
Purchase of available for sale investments	7	(541,003,311)	(1,009,837,315)
Net cash used in investing activities		<u>(471,732,645)</u>	<u>(1,442,291,981)</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Dividends paid	23	(692,566,875)	(760,134,375)
Dividends paid to non-controlling interest (2)		(100,000,000)	(72,000,000)
Net cash used in financing activities		<u>(792,566,875)</u>	<u>(832,134,375)</u>
Net increase / (decrease) in cash and cash equivalents		<u>767,747,867</u>	<u>(1,537,415,936)</u>
Cash and cash equivalents at 1 January		<u>2,400,286,929</u>	<u>3,937,702,865</u>
Cash and cash equivalents at 31 December	13	<u>3,168,034,796</u>	<u>2,400,286,929</u>
<u>Non Cash Transactions</u>			
(1) Change in Fair Value reserve (Note 16)		<u>12,993,080</u>	<u>265,731,830</u>
(2) Effect of Fair Value reserve on non-controlling interest		<u>4,706,426</u>	<u>12,080,865</u>
(3) Bonus Shares distributed to increase capital		<u>67,567,500</u>	<u>-</u>
(4) Contribution to social and sports fund		<u>22,077,756</u>	<u>31,327,973</u>

The notes on pages 11 to 43 form an integral part of these consolidated financial statements.

QATAR FUEL COMPANY Q.S.C.(“WOQOD”)

Notes to the consolidated financial statements

For the year ended 31 December 2016

1 REPORTING ENTITY

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.

Also these consolidated financial statements include the financial information of the controlled subsidiaries listed below:

Name of subsidiary	Country	Group effective shareholding %	
		2016	2015
WOQOD Vehicle Inspection Company (“FAHES”) W.L.L.	Qatar	100%	100%
Qatar Jet Fuel Company W.L.L.	Qatar	60%	60%
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.	Kingdom of Saudi Arabia	100%	100%
Ard Al Khaleej Real Estate W.L.L.	Qatar	100%	100%
Sidra Al Ghariya Shipping Company	Republic of Liberia	100%	100%
Sidra Al Wajbah Shipping Company	Republic of Liberia	100%	100%
Sidra Al Zubarah Shipping Company	Republic of Liberia	100%	100%
Sidra Raslaffan Shipping Company	Republic of Liberia	100%	100%
Sidra Al Wakra Shipping Company	Republic of Liberia	100%	100%
Sidra Al Rumeila Shipping Company	Republic of Liberia	100%	100%
Sidra Messaied Shipping Company	Republic of Liberia	100%	100%

The consolidated financial statements of the Qatar Fuel Q.S.C (“WOQOD”) (the “Company” or the “Parent”) and its subsidiaries (collectively, the Group) for the year ended 31 December 2016 were authorised for issue in accordance with a resolution of the Board of Directors on 16 February 2017.

2 BASIS OF PREPARATION

a) Statement of compliance

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs).

b) Basis of measurement

These consolidated financial statements have been prepared under the historical cost convention except for available-for-sale financial which have been measured at fair value.

QATAR FUEL COMPANY Q.S.C.(“WOQOD”)

Notes to the consolidated financial statements For the year ended 31 December 2016

2. BASIS OF PREPARATION (CONTINUED)

c) Functional and presentation currency

These consolidated financial statements are presented in Qatari Riyals, which is the Company's functional currency. All financial information presented in Qatari Riyals has been rounded to the nearest Qatari Riyal except where specifically stated.

d) Use of judgements and estimates

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

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognised prospectively.

Information about significant areas that involve a higher degree of judgment or complexity, or areas where assumptions or estimates have a significant risk of resulting in a material adjustment to the amounts recognised in the consolidated financial statements are as follows:

Going concern

Management has made an assessment of the Group's ability to continue as a going concern and is satisfied that the Group has the resources to continue in business for the foreseeable future. The Group has been profitable, and it had positive net assets, working capital and cash flow positions as at the year end. Furthermore, management is not aware of any material uncertainties that may cast significant doubt upon the Group's ability to continue as a going concern. Therefore, the consolidated financial statements continue to be prepared on a going concern basis.

Depreciation of property, plant and equipment

Items of property, plant and equipment are depreciated over their estimated individual useful lives. The determination of useful lives is based on the expected usage of the asset, physical wear and tear, technological or commercial obsolescence and impacts the annual depreciation charge recognized in the financial statements. Management reviews annually the residual values and useful lives of these assets. Future depreciation charge could be materially adjusted where management believes the useful lives differ from previous estimates.

Classification of property into investment property

Judgement is needed to determine whether a property qualifies as investment property. Based on an assessment made by management, some properties of the Group comprising land and buildings were classified into investment property on the grounds that they are not occupied substantially for use by or in the operations of the Group nor are for sale in the ordinary course of business, but are held primarily to earn rental income.

Estimated impairment of goodwill

The Group tests annually whether goodwill has suffered any impairment, in accordance with the accounting policy stated in Note 3. These calculations require the use of significant estimates and assumptions about the future as disclosed in Note 8, which could impact the goodwill revaluation and the conclusion that no goodwill impairment is required.

Impairment of non-financial assets (other than inventories)

The carrying amounts of the Group's non-financial assets (property, plant and equipment, and capital work-in-progress) are reviewed at each reporting date to determine whether there is any indication of impairment. The determination of what can be considered impaired requires judgement. As at the reporting date, management did not identify any evidence from internal reporting indicating impairment of an asset or class of assets and there were no significant adverse changes in the market that could have an adverse effect of its assets. If such indication exists, then an impairment test is performed by the management. The determination of what can be considered impaired, as well as the determination of recoverable amounts require management to make significant judgments, estimation and assumptions.

2. BASIS OF PREPARATION (CONTINUED)

d) Use of judgments and estimates (continued)

Impairment of inventories

When inventories become old or obsolete, an estimate is made of their net realizable value. For individually significant amounts this estimation is performed on an individual basis. Amounts which are not individually significant, but which are old or obsolete, are assessed collectively and a provision applied according to the inventory type and the degree of ageing or obsolescence, based on historical selling prices. The necessity and setting up of a provision for slow moving and obsolete inventories requires considerable degree of judgment.

Impairment of trade and other receivables

The carrying amounts of the trade and other receivables are reviewed at each reporting date to determine whether there is any indication of impairment. If such indication exists, then an impairment test is performed by the management. Management uses considerable judgment to estimate any irrecoverable amounts of receivables, determined by reference to past default experience of a counterparty and an analysis of the counterparty's financial situation.

Provision for employees' end of service benefits

Management has measured the Group's obligation for the post-employment benefits of its employees based on the provisions of the relevant labour laws. Management does not perform an actuarial valuation as required by International Accounting Standard 19 "Employee Benefits" as it estimates that such valuation does not result to a significantly different level of provision. The provision is reviewed by management at the end of each year, and any change to the projected benefit obligation at the year-end is adjusted in the provision for employees' end of service benefits in the profit or loss.

Other provisions and liabilities

Other provisions and liabilities are recognized in the period only to the extent management considers it probable that there will be a future outflow of funds resulting from past operations or events and the amount of cash outflow can be reliably estimated. The timing of recognition and quantification of the liability require the application of judgment to existing facts and circumstances, which can be subject to change. Since the actual cash outflows can take place in subsequent years, the carrying amounts of provisions and liabilities are reviewed regularly and adjusted to take account of changing facts and circumstances. A change in estimate of a recognized provision or liability would result in a charge or credit to profit or loss in the period in which the change occurs.

Contingent liabilities

Contingent liabilities are determined by the likelihood of occurrence or non-occurrence of one or more uncertain future events. Assessment of contingent liabilities is tightly connected with development of significant assumptions and estimates relating to the consequences of such future events.

2. BASIS OF PREPARATION (CONTINUED)

e) Newly effective standards, and amendments to or interpretations of standards

The following standards, amendments and interpretations which became effective from 1 January 2016, are relevant to the Group:

IFRS 14 “Regulatory Deferral Accounts”

IFRS 14 Regulator Deferral Accounts was issued by the IASB on 30 January 2014. It provides interim guidance on accounting for regulatory deferral account balances by first-time- adopters of IFRS while the IASB considers more comprehensive guidance on accounting for effects of rate regulation. The adoption of this standard had no significant impact on the consolidated financial statements of the Group.

Accounting for Acquisitions of Interests in Joint Operations (Amendments to IFRS 11)

The amendments to IFRS 11 provide guidance on how to account for the acquisition of a joint operation that constitutes a business as defined in IFRS 3 Business Combinations. The amendments state that the relevant principles on accounting for business combinations in IFRS 3 and other standards should be applied.

The amendments to IFRS 11 apply prospectively for annual periods beginning on or after 1 January 2016. Early adoption is permitted. The adoption of this standard had no significant impact on the consolidated financial statements of the Group.

Clarification of Acceptable Methods of Depreciation and Amortisation (Amendments to IAS 16 and IAS 38)

The amendments to IAS 16 prohibits entities from using a revenue based depreciation method for items of property, plant and equipment. The amendments to IAS 38 introduce a rebuttable presumption that revenue is not an appropriate basis for amortisation of an intangible asset. This presumption can only be rebutted if the intangible asset is expressed as a measure of revenue or when it can be demonstrated that revenue and consumption of the economic benefits of the intangible asset are highly correlated.

The amendments apply prospectively for annual periods beginning on or after 1 January 2016. Early adoption is permitted. The adoption of this standard had no significant impact on the consolidated financial statements of the Group.

Agriculture: Bearer Plants (Amendments to IAS 16 and IAS 41)

These amendments require a bearer plant, defined as a living plant, to be accounted for as property, plant and equipment and included in the scope of IAS 16 Property, Plant and Equipment, instead of IAS 41 Agriculture.

The amendments are effective for annual reporting periods beginning on or after 1 January 2016, with early adoption permitted. The adoption of this standard had no significant impact on the consolidated financial statements of the Group.

Equity Method in Separate Financial Statements (Amendments to IAS 27)

The IASB has made amendments to IAS 27 Separate Financial Statements which will allow entities to use the equity method in their separate financial statements to measure investments in subsidiaries, joint ventures and associates.

IAS 27 currently allows entities to measure their investments in subsidiaries, joint ventures and associates either at cost or as a financial asset in their separate financial statements. The amendments introduce the equity method as a third option. The election can be made independently for each category of investment (subsidiaries, joint ventures and associates).

The amendments apply retrospectively for annual periods beginning on or after 1 January 2016. Early adoption is permitted. The adoption of this standard had no significant impact on the consolidated financial statements of the Group.

Annual Improvements to IFRSs 2012–2014 Cycle – various standards

The annual improvements to IFRSs to 2012-2014 cycles include a number of amendments to various IFRSs. Most amendments will apply prospectively for annual periods beginning on or after 1 January 2016; earlier application is permitted (along with the special transitional requirement in each case), in which case the related consequential amendments to other IFRSs would also apply. The adoption of this standard had no significant impact on the consolidated financial statements of the Group.

2 BASIS OF PREPARATION (CONTINUED)

e) Newly effective standards, and amendments to or interpretations of standards (continued)

Disclosure Initiative (Amendments to IAS 1)

The amendments to IAS 1 Presentation of Financial Statements are made in the context of the IASB’s Disclosure Initiative, which explores how financial statement disclosures can be improved. The amendments provide clarifications on a number of issues, including:

- Materiality – an entity should not aggregate or disaggregate information in a manner that obscures useful information. Where items are material, sufficient information must be provided to explain the impact on the financial position or performance.
- Disaggregation and subtotals – line items specified in IAS 1 may need to be disaggregated where this is relevant to an understanding of the entity’s financial position or performance. There is also new guidance on the use of subtotals.
- Notes – confirmation that the notes do not need to be presented in a particular order.
- OCI arising from investments accounted for under the equity method – the share of OCI arising from equity-accounted investments is grouped based on whether the items will or will not subsequently be reclassified to profit or loss. Each group should then be presented as a single line item in the statement of other comprehensive income.

According to the transitional provisions, the disclosures in IAS 8 regarding the adoption of new standards/accounting policies are not required for these amendments. The adoption of this amendment had no significant impact on the consolidated financial statements.

f) New and amended standards and interpretations to standards not yet effective

A number of new standards and amendments to standards are effective for annual periods beginning after 1 January 2016 and earlier application is permitted; however, the Group has not early adopted the following new or amended standards in preparing these consolidated financial statements.

IFRS 9 “Financial Instruments”

In July 2014, the International Accounting Standards Board issued the final version of IFRS 9 Financial Instruments.

IFRS 9 is effective for annual periods beginning on or after 1 January 2018, with early adoption permitted. The Group currently plans to apply IFRS 9 initially on 1 January 2018.

The actual impact of adopting IFRS 9 on the Group’s consolidated financial statements in 2018 is not known and cannot be reliably estimated because it will be dependent on the financial instruments that the Group holds and economic conditions at that time as well as accounting elections and judgements that it will make in the future. The new standard will require the Group to revise its accounting processes and internal controls related to reporting financial instruments and these changes are not yet complete.

IFRS 15 “Revenue from Contracts with Customers”

IFRS 15 establishes a comprehensive framework for determining whether, how much and when revenue is recognised. It replaces existing revenue recognition guidance, including IAS 18 Revenue, IAS 11 Construction Contracts and IFRIC 13 Customer Loyalty Programmes.

IFRS 15 is effective for annual periods beginning on or after 1 January 2018, with early adoption permitted. The Group has completed an initial assessment of the potential impact of the adoption of IFRS 15 on its consolidated financial statements.

Transition

The Group plans to adopt IFRS 15 in its consolidated financial statements for the year ending 31 December 2018, using the retrospective approach. As a result, the Group will apply all of the requirements of IFRS 15 to each comparative period presented and adjust its consolidated financial statements.

2 BASIS OF PREPARATION (CONTINUED)

f) New and amended standards and interpretations to standards not yet effective (continued)

IFRS 16 “Leases”

IFRS 16 introduces a single, on-balance lease sheet accounting model for lessees. A lessee recognises a right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. There are optional exemptions for short-term leases and leases of low value items. Lessor accounting remains similar to the current standard – i.e. lessors continue to classify leases as finance or operating leases.

IFRS 16 replaces existing leases guidance including IAS 17 Leases, IFRIC 4 Determining whether an Arrangement contains a Lease, SIC-15 Operating Leases—Incentives and SIC-27 Evaluating the Substance of Transactions Involving the Legal Form of a Lease.

The standard is effective for annual periods beginning on or after 1 January 2019. Early adoption is permitted for entities that apply IFRS 15 Revenue from Contracts with Customers at or before the date of initial application of IFRS 16.

The Group has started an initial assessment of the potential impact on its consolidated financial statements. So far, the most significant impact identified is that the Group will recognise new assets and liabilities for its operating leases of warehouse and factory facilities. In addition, the nature of expenses related to those leases will now change as IFRS 16 replaces the straight-line operating lease expense with a depreciation charge for right-of-use assets and interest expense on lease liabilities. The Group has not yet decided whether it will use the optional exemptions.

IAS 7 “Disclosure Initiative”

The amendments require disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash low and non-cash changes.

The amendments are effective for annual periods beginning on or after 1 January 2017, with early adoption permitted. To satisfy the new disclosure requirements, the Group intends to present a reconciliation between the opening and closing balances for liabilities with changes arising from financing activities.

Other amendments

The following new or amended standards are not expected to have a significant impact on the Group’s consolidated financial statements.

- Classification and Measurement of Share-based Payment Transactions (Amendments to IFRS 2).
- Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to IFRS 10 and IAS 28).
- Recognition of Deferred Tax Assets for Unrealized Losses (Amendments to IAS 12)

3 SIGNIFICANT ACCOUNTING POLICIES

The following significant accounting policies have been applied in the preparation of these consolidated financial statements:

a) Basis of consolidation

i) Business combinations

The Group accounts for business combinations using the acquisition method when control is transferred to the Group. The consideration transferred in the acquisition is generally measured at fair value, as are the identifiable net assets acquired. Any goodwill that arises is tested annually for impairment. Any gain on a bargain purchase is recognised in profit or loss immediately. Transaction costs are expensed as incurred, except if related to the issue of debt or equity securities.

QATAR FUEL COMPANY Q.S.C.(“WOQOD”)

Notes to the consolidated financial statements For the year ended 31 December 2016

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

a) Basis of consolidation (continued)

i) Business combinations (continued)

The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts are generally recognised in profit or loss.

Any contingent consideration is measured at fair value at the date of acquisition. If an obligation to pay contingent consideration that meets the definition of a financial instrument is classified as equity, then it is not remeasured and settlement is accounted for within equity. Otherwise, other contingent consideration is remeasured at fair value at each reporting date and subsequent changes in the fair value of the contingent consideration are recognised in profit or loss.

If share-based payment awards (replacement awards) are required to be exchanged for awards held by the acquiree's employees (acquiree's awards), then all or a portion of the amount of the acquirer's replacement awards is included in measuring the consideration transferred in the business combination. This determination is based on the market-based measure of the replacement awards compared with the market-based measure of the acquiree's awards and the extent to which the replacement awards relate to pre-combination service.

ii) Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

iii) Non-controlling interests

NCI are measured at their proportionate share of the acquiree's identifiable net assets at the date of acquisition. Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

iv) Loss of control

When the Group loses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary, and any related NCI and other components of equity. Any resulting gain or loss is recognised in profit or loss. Any interest retained in the former subsidiary is measured at fair value when control is lost.

v) Transactions eliminated on consolidation

1-Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated. Unrealised gains arising from transactions with equity accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

2- Foreign currency transactions and balances

Transactions in foreign currencies are translated into the respective functional currencies of Group companies at the exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date.

Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Foreign currency differences are recognized in profit or loss, Non-monetary items that are measured based on historic cost in a foreign currency are not translated.

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Notes to the consolidated financial statements

For the year ended 31 December 2016

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

b) Revenue recognition

Revenue is measured at fair value of the consideration received or receivable. Revenue is reduced for estimated customer returns, rebates and other similar allowances. The following specific recognition criteria must also be met before revenue is recognised.

i) Sale of petroleum products, liquid petroleum gas and other products

Revenue is recognised when the significant risks and rewards of ownership have been transferred to the customer, recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably, there is no continuing management involvement with the goods and the amount of revenue can be measured reliably. Revenue is measured net of returns, trade discounts and volume rebates.

ii) Rendering of services

The Group is involved in provisioning of vehicles inspection and other vehicles petrol stations services to the customers. If the services under a single arrangement are rendered in different reporting periods, then the consideration is allocated on a relative fair value basis between the different services.

The Group recognises revenue from rendering of inspection services in profit or loss account by reference to providing inspection and related services to the customers.

iii) Interest income

Interest income is recorded using the effective interest rate (EIR). EIR is the rate exactly discounts the estimated future cash payments or receipts over the expected life of financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset or liability. Interest income is included in the finance income in the consolidated statement of profit or loss.

iv) Dividends

Income from the investments in financial instruments is recognized when dividends are declared.

v) Rental income

Rental income from investment property is recognised as revenue on a straight-line basis over the term of the lease. Lease incentives granted are recognised as an integral part of the total rental income, over the term of the lease.

Rental income from other property is recognised as other income.

c) Government support

The Group recognises an unconditional government support related to fuel pricing in profit or loss as other income when the grant becomes receivable. Other government grants are initially recognised as deferred income at fair value if there is reasonable assurance that they will be received and the Group will comply with the conditions associated with the support; they are then recognised in profit or loss as other income on a systematic basis over the useful life of the asset.

Grants that compensate the Group for expenses incurred are recognised in profit or loss on a systematic basis in the periods in which the expenses are recognised.

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

c) Property, plant and equipment

Recognition and measurement

Items of property, plant and equipment are recognized at cost of acquisition and measured thereafter at cost less accumulated depreciation and any accumulated impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of an asset. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment.

Subsequent expenditure

Subsequent expenditure is capitalized only if it is probable that future economic benefits associated with the expenditure will flow to the Group.

Depreciation

Depreciation is calculated to write off the cost of items of property, plant and equipment less their estimated residual values using the straight-line method over their estimated useful lives, and is recognised in profit or loss. Land is not depreciated.

The estimated useful lives for the current year and the comparative year are as follows:

Buildings and infrastructure	10-20 years
Plant and equipment	10-20 years
Vehicles, office equipment and furniture	5-10 years
Vessels	20 years

Depreciation methods, residual values and useful lives are reviewed at each reporting date and adjusted if appropriate.

Derecognition

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use. Profits and losses on disposals of items of property, plant and equipment are determined by comparing the proceeds from their disposals with their respective carrying amounts, and are recognised net within profit or loss.

d) Capital work-in-progress

Capital work-in-progress comprises projects of the Group under construction and is carried at cost less impairment, if any. Capital work in progress is not depreciated. Once the construction of assets within capital work-in-progress is completed, they are reclassified to either the property, plant and equipment or the investment property depending on their use and depreciated accordingly once they are put into use.

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

c) Goodwill

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests, and any previous interest held, over the net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the re-assessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in profit or loss.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

Where goodwill has been allocated to a cash-generating unit and part of the operation within that unit is disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed in these circumstances is measured based on the relative values of the disposed operation and the portion of the cash-generating unit retained.

d) Investment property

Investment property represents land and buildings that are occupied substantially for use by third parties and are held by the Group to earn rentals.

Subsequent expenditure

Subsequent expenditure is capitalized only if it is probable that future economic benefits associated with the expenditure will flow to the Group.

Derecognition

An item of investment property is derecognised upon disposal or when no future economic benefits are expected from its use. Profits and losses on disposals of items of investment property are determined by comparing the proceeds from their disposals with their respective carrying amounts, and are recognised net within profit or loss.

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

e) Financial instruments

The Group classifies non-derivative financial assets into the following categories: loans and receivables and available-for-sale financial assets.

I. Non-derivative financial assets and financial liabilities – Recognition and derecognition

The Group initially recognises loans and receivables on the date when they are originated. All other financial assets and financial liabilities are initially recognised on the trade date when the entity becomes a party to the contractual provisions of the instrument.

The Group derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred, or it neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control over the transferred asset. Any interest in such derecognised financial assets that is created or retained by the Group is recognised as a separate asset or liability.

The Group derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire.

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group currently has a legally enforceable right to offset the amounts and intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

II. Non-derivative financial assets – Measurement

Loans and receivables

These assets are initially measured at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, they are measured at amortised cost using the effective interest method.

Available-for-sale financial assets

These assets are initially measured at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, they are measured at fair value and changes therein, other than impairment losses and foreign currency differences on debt instruments, are recognised in OCI and accumulated in the fair value reserve. When these assets are derecognised, the gain or loss accumulated in equity is reclassified to profit or loss.

Trade receivables

Trade receivables are stated at original invoice amount less provision for any uncollectible amounts. An estimate for doubtful debts is made when collection of the full amount is no longer probable. Bad debts are written off when there is no possibility of recovery.

Notes due from customers are disclosed as a separate item on the consolidated statement of financial position except those with a remaining term to maturity of less than one year, which are included under accounts receivable and prepayments.

Cash and cash equivalents

For the purpose of consolidated statement of cash flows, cash and cash equivalents comprise cash in banks and on hand and short-term deposits with an original maturity of three months or less, net of outstanding bank overdrafts.

Accounts payable and accruals

Liabilities are recognised for amounts to be paid in the future for goods or services received, whether billed by the supplier or not.

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

h) Financial instruments (continued)

II.Non-derivative financial liabilities – Measurement

A financial liability is classified as at fair value through profit or loss if it is classified as held-for-trading or is designated as such on initial recognition. Directly attributable transaction costs are recognised in profit or loss as incurred. Financial liabilities at fair value through profit or loss are measured at fair value and changes therein, including any interest expense, are recognised in profit or loss.

Other non-derivative financial liabilities are initially measured at fair value less any directly attributable transaction costs. Subsequent to initial recognition, these liabilities are measured at amortised cost using the effective interest method.

Accounts payable and related parties

Liabilities are recognised for amounts to be paid in the future for goods or services received, whether billed by the supplier or not.

i) Impairment

I. Non-derivative financial assets

Financial assets not classified as at fair value through profit or loss, including an interest in an equity accounted investee, are assessed at each reporting date to determine whether there is objective evidence of impairment.

Objective evidence that financial assets are impaired includes:

- default or delinquency by a debtor;
- restructuring of an amount due to the Group on terms that the Group would not consider otherwise;
- indications that a debtor or issuer will enter bankruptcy;
- adverse changes in the payment status of borrowers or issuers;
- the disappearance of an active market for a security because of financial difficulties; or
- observable data indicating that there is a measurable decrease in the expected cash flows from a group of financial assets.

For an investment in an equity security, objective evidence of impairment includes a significant or prolonged decline in its fair value below its cost. The Group considers a decline of 20% to be significant and a period of nine months to be prolonged.

Financial assets measured at amortised cost

The Group considers evidence of impairment for these assets at both an individual asset and a collective level. All individually significant assets are individually assessed for impairment. Those found not to be impaired are then collectively assessed for any impairment that has been incurred but not yet individually identified. Assets that are not individually significant are collectively assessed for impairment. Collective assessment is carried out by grouping together assets with similar risk characteristics.

In assessing collective impairment, the Group uses historical information on the timing of recoveries and the amount of loss incurred, and makes an adjustment if current economic and credit conditions are such that the actual losses are likely to be greater or lesser than suggested by historical trends.

An impairment loss is calculated as the difference between an asset's carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. Losses are recognised in profit or loss and reflected in an allowance account. When the Group considers that there are no realistic prospects of recovery of the asset, the relevant amounts are written off. If the amount of impairment loss subsequently decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, then the previously recognised impairment loss is reversed through profit or loss.

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

i) Impairment (continued)

Available-for-sale financial assets

Impairment losses on available-for-sale financial assets are recognised by reclassifying the losses accumulated in the fair value reserve to profit or loss. The amount reclassified is the difference between the acquisition cost (net of any principal repayment and amortisation) and the current fair value, less any impairment loss previously recognised in profit or loss. If the fair value of an impaired available-for-sale debt security subsequently increases and the increase can be related objectively to an event occurring after the impairment loss was recognised, then the impairment loss is reversed through profit or loss. Impairment losses recognised in profit or loss for an investment in an equity instrument classified as available-for-sale are not reversed through profit or loss.

II. Non-financial assets

At each reporting date, the Group reviews the carrying amounts of its non-financial assets (other than investment properties, and inventories) to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. Goodwill is tested annually for impairment.

For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs. Goodwill arising from a business combination is allocated to CGUs or groups of CGUs that are expected to benefit from the synergies of the combination.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU.

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its recoverable amount. Impairment losses are recognised in profit or loss. They are allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets in the CGU on a pro rata basis.

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Notes to the consolidated financial statements For the year ended 31 December 2016

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

h) Financial instruments (continued)

III.Non-financial assets (continued)

An impairment loss in respect of goodwill is not reversed. For other assets, an impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

j) Inventories

Inventories are stated at the lower of cost and net realisable value. Costs are those expenses incurred in bringing each product to its present location and condition on specific identification basis for items easily identifiable and on a weighted average basis for other items.

Net realisable value is based on estimated selling price less any further costs expected to be incurred on completion and disposal.

k) Employees' end of service benefits

The Group provides end of service benefits to its expatriate employees in accordance with Qatar labour law. The entitlement to these benefits is based upon the employees' final salary and length of service, subject to the completion of minimum service period. The expected costs of these benefits are accrued over the period of employment.

With respect to its national employees, the Group makes contributions to the General Pension Fund Authority calculated as a percentage of the employees' salaries. The Group's obligations are limited to these contributions, which are expensed when due.

Qatari new of the While calculating the end of service the company has taken into consideration the new amendments Human resources Law enacted law No. 15 for 2016

l) Provision

A provision is recognised when, the Group has a present obligation (legal or constructive) as a result of a past event; it is probable that the Group will be required to settle the obligation; and a reliable estimate can be made of the amount of the obligation. The amount of a provision is the present value, of the best estimate, of the amount required to settle the obligation. Provisions are reviewed annually to reflect current best estimates of the expenditure required to settle the obligations

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

m) Fair value measurement

Fair value' is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal or, in its absence, the most advantageous market to which the Group has access at that date. The fair value of a liability reflects its non-performance risk. A number of the Group's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities when one is available, the Group measures the fair value of an instrument using the quoted price in an active market for that instrument. A market is regarded as active if transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis. If there is no quoted price in an active market, then the Group uses valuation techniques that maximise the use of relevant observable inputs and minimise the use of unobservable inputs. The chosen valuation technique incorporates all of the factors that market participants would take into account in pricing a transaction. If an asset or a liability measured at fair value has a bid price and an ask price, then the Group measures assets and long positions at a bid price and liabilities and short positions at an ask price. The best evidence of the fair value of a financial instrument on initial recognition is normally the transaction price – i.e. the fair value of the consideration given or received. If the Group determines that the fair value on initial recognition differs from the transaction price and the fair value is evidenced neither by a quoted price in an active market for an identical asset or liability nor based on a valuation technique for which any unobservable inputs are judged to be insignificant in relation to the measurement, then the financial instrument is initially measured at fair value, adjusted to defer the difference between the fair value on initial recognition and the transaction price. Subsequently, that difference is recognised in profit or loss on an appropriate basis over the life of the instrument but no later than when the valuation is wholly supported by observable market data or the transaction is closed out.

n) Earnings per share

The Group presents basic and diluted earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares, which comprise convertible notes and share options granted to employees, if any.

o) Segment reporting

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, whose operating results are reviewed regularly by the Group's Top Management (being the chief operating decision maker) to make decisions about resources allocated to each segment and assess its performance, and for which discrete financial information is available.

4. FINANCIAL RISK AND CAPITAL MANAGEMENT

a) Financial risk management

The Group has exposure to the following risks from its use of financial instruments:

- Credit risk;
- Liquidity risk; and
- Market risk.

This note presents information about the Group's exposure to each of the above risks, the Group's objectives, policies and processes for measuring and managing risk. Further quantitative disclosures are included throughout these consolidated financial statements.

4. FINANCIAL RISK AND CAPITAL MANAGEMENT (CONTINUED)

a) Financial risk management (continued)

The Board of Directors has the overall responsibility for the establishment and oversight of the Group’s risk management framework. The Group’s risk management policies are established to identify and analyse the risks faced by the Group and to monitor risks.

Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations.

Trade and other receivables

The Group’s exposure to credit risk is influenced mainly by the individual characteristics of each counterparty. The Group renders services to more than 1977 (2015: 1453) customers with its largest 5 customers accounting for 34% (2015: 41%) of its trade receivables. This significant concentration risk has been managed through enhanced monitoring and periodic tracking. The Group has a rigorous policy of credit screening prior to providing services on credit. Management evaluates the creditworthiness of each client prior to entering into contracts. Management also periodically reviews the collectability of its trade and other receivables and has a policy to provide any amounts whose collection is no longer probable and write-off as bad debts any amounts whose recovery is unlikely. As a result, management believes that there is no significant credit risk on its trade and other receivables as presented on the statement of financial position.

Bank balances

The Group has balances with credit worthy and reputable banks in Qatar with high credit ratings. Therefore, management believes that credit risk in respect of these balances is minimal.

Further information about the Group’s exposure to credit risk is provided in Note 26.

Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. Management’s approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company’s reputation.

Further information about the Group’s exposure to liquidity risk is provided in Note 26.

Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates, will affect the Group’s income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

Currency risk

Foreign exchange risk arises when future commercial transactions or recognised assets or liabilities are denominated in a currency that is not the Group’s functional currency. The Group is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the US Dollar. As the US Dollar is pegged with the Qatari Riyal, the Group is not exposed to currency risk when it transacts in this currency. Management monitors the exchange rate fluctuations on a continuous basis and acts accordingly.

Interest rate risk

As the Group has no significant interest bearing assets, the Group’s income and operating cash flows are substantially independent of changes in market interest rates. The Group’s interest rate risk arises from bank deposits and borrowings. Bank deposits issued at fixed rates expose the Group to fair value interest rate risk. Borrowings issued at variable rates expose the Group to cash flow interest rate risk. Management monitors the interest rate fluctuations on a continuous basis and acts accordingly.

b) Capital management

The primary objective of the Group’s capital management is to ensure that it maintains a strong capital base in order to support its business and to sustain future development of the business. Management monitors its capital structure and makes adjustments to it, in light of economic conditions.

QATAR FUEL COMPANY Q.S.C. (“WOQOD”)

**Notes to the consolidated financial statements
For the year ended 31 December 2016**

In Qatari Riyals

5 PROPERTY, PLANT AND EQUIPMENT

	Land	Buildings and infrastructure	Plant and equipment	Vehicles, office equipment and furniture	Vessels	Projects in progress	Total
Cost							
At 1 January 2016 (Restated)	48,637,470	974,358,530	526,938,926	656,622,695	277,870,703	244,938,324	2,729,366,648
Impact of correction of errors	-	(185,878,379)	-	-	-	-	(185,878,379)
At 1 January 2016 (Restated)	48,637,470	788,480,151	526,938,926	656,622,695	277,870,703	244,938,324	2,543,488,269
Additions	-	45,532,809	12,400,770	42,081,836	-	406,357,198	506,372,613
Transfers from projects in progress	-	242,229,714	24,354,017	57,590,344	48,458,470	(372,632,545)	-
Disposals	-	-	-	-	(31,693,268)	-	(31,693,268)
Write-off	-	(15,719,796)	-	(31,211,158)	-	(3,230,191)	(50,161,145)
At 31 December 2016	48,637,470	1,060,522,878	563,693,713	725,083,717	294,635,905	275,432,786	2,968,006,469
Accumulated depreciation							
At 1 January 2016 (Restated)	-	220,510,731	300,139,542	444,920,904	106,163,585	-	1,071,734,762
Impact of correction of errors	-	(20,510,811)	-	-	-	-	(20,510,811)
At 1 January 2016 (restated)	-	199,999,920	300,139,542	444,920,904	106,163,585	-	1,051,223,951
Depreciation charge for the year	-	52,720,461	29,050,316	102,947,702	13,704,007	-	198,422,486
Disposals	-	-	-	-	(15,385,596)	-	(15,385,596)
Related to write-off	-	(12,376,511)	-	(23,393,559)	-	-	(35,770,070)
At 31 December 2016	-	240,343,870	329,189,858	524,475,047	104,481,996	-	1,198,490,771
Carrying value							
At 31 December 2016	48,637,470	820,179,008	234,503,855	200,608,670	190,153,909	275,432,786	1,769,515,698

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For the year ended 31 December 2016

In Qatari Riyals

5 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

	Land	Building and infrastructure	Plant and equipment	Vehicles, office equipment and furniture	Vessels	Projects in progress	Total
Cost							
At 1 January 2015 (audited)	85,602,537	510,123,191	510,747,490	518,512,965	277,870,703	542,745,461	2,445,602,347
Impact of correction of errors (Note 27)	(247,181)	(114,031,454)	(38,500,289)	(5,060,077)	-	(13,201,957)	(171,040,958)
At 1 January 2015 (restated)	85,355,356	396,091,737	472,247,201	513,452,888	277,870,703	529,543,504	2,274,561,389
Additions	-	3,881,874	42,594,885	43,852,827	-	215,957,180	306,286,766
Transfers from projects in progress	-	388,506,540	12,096,840	99,958,980	-	(500,562,360)	-
Disposals	(36,717,886)	-	-	-	-	-	(36,717,886)
Write-off	-	-	-	(642,000)	-	-	(642,000)
At 31 December 2015 (restated)	48,637,470	788,480,151	526,938,926	656,622,695	277,870,703	244,938,324	2,543,488,269
Accumulated depreciation							
At 1 January 2015 (audited)	-	138,766,036	285,503,816	331,252,693	92,270,047	-	847,792,592
Impact of correction of errors	-	24,935,324	(28,378,403)	35,885,577	3	-	32,442,501
At 1 January 2015 (restated)	-	163,701,360	257,125,413	367,138,270	92,270,050	-	880,235,093
Depreciation charge for the year	-	36,298,560	43,014,129	78,235,591	13,893,535	-	171,441,815
Related to write-off	-	-	-	(452,957)	-	-	(452,957)
At 31 December 2015 (restated)	-	199,999,920	300,139,542	444,920,904	106,163,585	-	1,051,223,951
Carrying value							
At 31 December 2015	48,637,470	588,480,231	226,799,384	211,701,791	171,707,118	244,938,324	1,492,264,318

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5 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

- i) The Group has received Government grants in the form of transferring non-monetary assets (six plots of land located in 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 decided 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, as of 31 December 2016, the Group has received 11 plots located in the State of Qatar, from Ministry of Municipality and Urban Planning, for the same purpose as above, in which that ownership certificate has not yet transferred from Ministry of Municipality and Urban Planning.

- ii) The Group has six vessels where they operate mainly in bunkering for Heavy Fuel Oil (HFO), Medium Gas Oil (MGO) and Diesel Light Gas Oil (LGO). In addition to the bunkering activities these vessels also operate for leasing under chartering agreements with major customers like Valencia and Kim Oil to transfer the oil between ports.

All the vessels are co-owned by Woqod Marine Services “a whole subsidiary of Qatar Fuel -WOQOD” and other companies as detailed below:

Vessel Name	Registered ownership	Country of incorporation
Sidra Messaied	Sidra Messaied Shipping Company, Co-operating with Qatar Fuel Company “Woqod”	Republic of Liberia
MT. Sidra Al Ghariya	Sidra Al Ghariya Shipping Company, Co-operating with Qatar Fuel Company “Woqod”	Republic of Liberia
MT. Sidra Al Wajbah	Sidra Al Wajbah Shipping Company, Co-operating with Qatar Fuel Company “Woqod”	Republic of Liberia
Sidra Al Zubarah	Sidra Al Zubarah Shipping Company, Co-operating with Qatar Fuel Company “Woqod”	Republic of Liberia
MT. Sidra RasLaffan	Sidra RasLaffan Shipping Company, Co-operating with Qatar Fuel Company “Woqod”	Republic of Liberia
Sidra Al Wakra	Sidra Al Wakra Shipping Company, Co-operating with Qatar Fuel Company “Woqod”	Republic of Liberia
Sidra Al Rumeila	Sidra Al Rumeila Shipping Company, Co-operating with Qatar Fuel Company “Woqod”	Republic of Liberia

- iii) Depreciation allocated to cost of sales amount to QR 150,066,649 (2015: QR 116,502,002) and general and administrative expenses in amount to QR 47,754,837 (2015: 54,939,813) (Note 20)

6 INVESTMENT PROPERTIES

	2016	2015 (Restated)
Cost		
Balance at 1 January – restated (Note 27)	988,385,989	185,878,379
Acquisitions	-	802,507,610
Balance at 31 December	988,385,989	988,385,989
Accumulated depreciation		
Balance at 1 January – restated (Note 27)	(20,510,811)	(13,532,653)
Depreciation charge for the year	(54,468,216)	(6,978,158)
Balance at 31 December	(74,979,027)	(20,510,811)
Carrying Value		
Balance at 31 December	913,406,962	967,875,178

6 INVESTMENT PROPERTIES (CONTINUED)

Investment property comprises a number of commercial properties that are leased to third parties. Each of the leases contains an initial non-cancellable period varies from 2 to 10 years. Subsequent renewals are negotiated with the lessee. No contingent rents are charged.

Changes in fair values are not recognised as the Group recognizes these investment properties at cost models and carries investments at cost less accumulated depreciation.

The fair value of investment property was determined by external, independent property valuers, having appropriate recognized professional qualifications and recent experience in the location and category of the property being valued. The independent valuers provide the fair value of the Group’s investment property portfolio every 12 months.

The fair value measurement for all of the investment properties has been categorized as a Level 3 fair value based on the inputs to the valuation technique used.

The investment properties were valued using the market comparable approach. Under the market comparable approach, a property’s fair value is estimated based on comparable transactions. The market comparable approach is based upon the principle of substitution under which a potential buyer will not pay more for the property than it will cost to buy a comparable substitute property. The unit of comparison applied by the valuer is the depreciated value for the buildings per square meter and the market price per square foot for the land. The total fair value of the investment property as at 31 December 2016 was QR 726,428,000.

7 AVAILABLE FOR SALE FINANCIAL ASSETS

Available for sale financial assets 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:

	2016	2015
Qatar Electricity and Water Company Q.S.C.	158,816,621	253,555,204
Qatar Gas Transport Company Q.S.C.	448,214,138	414,651,503
Industries Qatar Q.S.C.	29,770,299	155,236,941
Commercial Bank of Qatar Q.S.C.	39,850,586	94,290,580
Barwa Real Estate Company Q.S.C.	154,104,321	4,405,896
Qatar National Bank S.A.Q.	27,000,248	28,056,804
Ooredoo Q.S.C.	10,334,347	52,944,073
Al Khaleej Takaful Group Q.S.C.	25,936,331	31,059,927
Doha Bank Q.S.C.	70,430,750	51,113,457
Vodafone Qatar Company Q.S.C.	-	12,713,792
Zad Holding Company Q.S.C.	35,319,322	23,204,298
Mesaieed Petrochemical Holding Company Q.S.C.	4,558,330	866,250
Qatar International Islamic Bank Q.S.C.	147,483,380	162,116,160
Qatar Islamic Insurance Q.S.C.	-	4,410
Mazaiya Qatar Real Estate Development Q.S.C.	106,621,118	81,249,656
Al- Mannai Corporation Q.S.C.	49,640,906	16,195,854
Qatar National Navigation & Transport Q.S.C.	76,013,758	16,854,900
Investment in Sukuk	262,581,970	248,739,214
Qatar Industrial Manufacturing Co.	7,794,442	-
Al Meera (Q Invest)	13,065,000	-
	1,667,535,867	1,647,258,919

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7 AVAILABLE FOR SALE FINANCIAL ASSETS (CONTINUED)

The movement in available for sale financial assets balance during the year is as follows:

	2016	2015 (Restated)
Balance at 1 January (Restated)	1,647,258,919	1,406,239,626
Acquired during the year	541,003,311	1,009,837,315
Disposals	(487,285,078)	(491,005,327)
Net movement in fair value reserve (Note 16)	(12,993,080)	(140,919,896)
Impairment loss for the year (Note 20)	(20,448,205)	(136,892,799)
Balance at 31 December	<u>1,667,535,867</u>	<u>1,647,258,919</u>

Fair value hierarchy

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

Level 1: Quoted (unadjusted) prices in active markets for identical assets or liabilities;

Level 2: Other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly; and

Level 3: Techniques which use inputs which have a significant effect on the recorded fair values are not based on observable market data.

As at 31 December 2016 and 31 December 2015, the Group held the following classes of financial instruments measured at fair value:

Financial assets

	2016	Level 1	Level 2	Level 3
Available-for-sale financial assets	<u>1,667,535,867</u>	<u>1,667,535,867</u>	-	-
	2015	Level 1	Level 2	Level 3
Available-for-sale financial assets	<u>1,647,258,919</u>	<u>1,647,258,919</u>	-	-

During the period/year ended 31 December 2016 and 31 December 2015, 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

	2016	2015
Relating to Qatar Jet Fuel Company W.L.L. (Q-Jet)	57,700,022	57,700,022
Relating to Woqod Vehicles Inspection Company W.L.L. (Fahes)	<u>75,235,110</u>	<u>75,235,110</u>
	<u>132,935,132</u>	<u>132,935,132</u>

As on 31 December 2016, the Group calculated an internal evaluation to access and identify the instance of any indication of impairment on goodwill. The evaluation mainly on financial data of the subsidiaries and took into account the business environment in which the subsidiaries operate. Based on this exercise management concluded that there were no indication of impairment that warrant a full impairment review. The Group had previously undertaken an impairment review of the goodwill as on 31 December 2012. Based on this review, the recoverable amounts of the subsidiaries, Qatar Jet Fuel Company and Fahes, which are the cash-generating units to which the goodwill was allocated, have been determined based on value in use calculation using cash flow projections. The associated assumptions are summarized as follows;

- The valuation date is 31 December 2012.
- Continuity of local market circumstances and the expected normal rate of growth.
- Reliance on estimated revenues, expenses and cash flows for the years 2015 – 2018 provided by management.
- Management relied on the CAPM to define the cost of equity. Historical risk free rate accounted for 5.5% up to 7%, as per the seventh issue of the Government bond that matured in 2010. On the other hand, management forses more lenient measures to be addressed in the interest market of Qatar and predict the expected risk free rate to be 5.5%, and the prices of Government bond to be around 3.25% and it will increase during the next period, but it will not exceed 5.5% during the next 5 years.

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8 GOODWILL (CONTINUED)

- The market risk of Qatar is 8% which indicate that market risk can account for up to 13.5%.
- The pricing technique used for evaluating the business of Q-Jet is the earning cash flow approach and that of Fahes is the constant growth model.
- A key assumption for the value in use calculations was the discount rate represented in the Group’s weighted average cost of capital (WACC) used in the calculation of the present value of the free cash flow from operation is 9% for Q-Jet and 11% for Fahes.
- The value of equity using the above mentioned approaches amounted to QR 754 million for Q-Jet and QR 214 million for Fahes.
- The major source of information are the audited financial statements for the year ended December 2010 to 31 December 2012 and the unaudited financial statements for the year ended 31 December 2013.

Projections for Q-Jet for the year 2016 have been derived from the following assumptions

- The annual growth rate of Q-Jet is 10.5% for each and every year of projection, as the price is derived through the summation of three factors mentioned hereinafter,
 - a) Assumed petrol price is the Arab Gulf (MOPAG) (in USD cents per gallons). This is assumed to increase at an annual growth rate of 5% every year.
 - b) Premium charged by QP (in US cents per gallon). This assumed to remain stable at 10.25 cent/gallon.
 - c) Gross margin (in US cents per gallon). This assumed to remain stable at 15 cents/gallon.
- Other income include interest income which is calculated as 2% of the expected average bank balances per annum and miscellaneous income which is assumed to be QR 75,000 per annum and the government subsidy.
- Cash expenses include manpower and related costs and other cash expenses each of which are assumed to increase annually by 3%.
- Projection for management fee is based on management fee agreement, by which Qatar Fuel Company Q.S.C. (“the parent”) is entitled to receive fees from Q-Jet for the provision of management services at 3% of the yearly net profit before the management fee.
- Employee profit share has been assumed to be QR 850, for the year 2015 and 2016 based on an average of the historical periods/ years.

Projections for Fahes for the year 2016 have been derived from the following assumptions

- Sales revenues are assumed to increase at an annual growth rate of 6% which is based on the historical growth in the sales revenue.
- All expenses, including man power costs, and other expenses are expected to increase at an annual growth rate of 8% as per the management expectation for the year 2016.

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.

The management concluded from this review and the use of the above assumptions that there is no impairment to the goodwill as at 31 December 2016.

The management will supervise any changes that can occur at year 2017 which will derive the management to re-measure the Goodwill.

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For the year ended 31 December 2016****In Qatari Riyals****9 INVENTORIES**

	2016	2015
Jet fuel oil	51,460,585	66,698,641
Materials and spare parts	93,509,231	127,581,229
Heavy fuel oil	59,887,104	59,887,104
Diesel fuel oil	99,698,682	58,489,388
Retail stores inventory	26,207,735	21,169,133
Refined fuel oil – super grade	3,423,164	12,186,145
Refined fuel oil – premium grade	3,219,225	17,171,796
Other inventory items	7,966,658	7,604,590
	<u>345,372,384</u>	<u>370,788,026</u>
Provisions slow moving items	<u>(64,877,354)</u>	<u>-</u>
	<u>280,495,030</u>	<u>370,788,026</u>

The movement in the provision for slow moving items is as follows:

	2016	2015
Balance at 1 January	689,307	555,509
Provided during the year (Note 20)	<u>64,188,047</u>	<u>133,798</u>
Balance at 31 December	<u>64,877,354</u>	<u>689,307</u>

10 RELATED PARTY TRANSACTIONS

These represent transactions with related parties, i.e. shareholders, directors and senior management of the Group, companies of which they are principal owners and associated companies. Pricing policies and terms of these transactions are approved by the Group’s management.

a) Balances due from related parties:

	2016	2015
Ras Gas	13,535,717	15,115,068
Qatar Liquefied Gas Company Ltd (“Qatar Gas”)	-	7,870,704
Gulf Helicopters Q.S.C.	2,937,420	3,602,490
Gulf Drilling International (“GDI”) Q.S.C.	3,596,259	2,105,511
Qatar Aluminium (Qatalum”)	1,010,670	793,190
Qatar Steel Company Q.S.C.	1,330,523	621,116
Qatar Petrochemical Company (“QAPCO”) Q.S.C.	1,510,090	931,182
Qatar Fuel Additives Company (“QAFAC”) C.Q.S.C.	2,825,004	1,428,504
Qatar Chemical Company Ltd (“Q-Chem”)	759,390	1,349,236
Amwaj Catering Services	1,315,625	10,924,586
Qatar Fertiliser Company (“QAFCO”) C.Q.S.C.	260,437	-
Oryx GTL	827,987	2,234,530
Qatex Limited	631,329	1,264,500
Al Shaheen Well Services Co.	6,370	154,915
Seef Ltd.	40,871	38,348
Gasal Q.S.C.	13,473	83,404
Qatar Holding Co.	53,412	53,412
Qatar Gas Operation Co. Ltd.	6,313,763	-
Qatar gas operating company	33,040	-
Qatar Petroleum	<u>447,260,751</u>	<u>312,131,606</u>
	<u>484,262,131</u>	<u>360,702,302</u>

QATAR FUEL COMPANY Q.S.C. (“WOQOD”)**Notes to the consolidated financial statements
For the year ended 31 December 2016****In Qatari Riyals****10 RELATED PARTY TRANSACTIONS (CONTINUED)****b) Balances due to related parties:**

	2016	2015
Qatar Fertiliser Company (“QAFCO”) C.Q.S.C.	-	26,120
Qatar Petroleum	3,423,039,289	1,878,969,692
	<u>3,423,039,289</u>	<u>1,878,995,812</u>

c) Transactions with related parties

The Group in the normal course of business carries out transactions with Qatar Petroleum which consists of normal purchases and service transactions. Sales transactions to Qatar Petroleum are at arm’s length, and purchases from Qatar Petroleum are in accordance with contractual terms approved by the Group’ Directors. The details of the transactions with this related party are as follows:

	2016	2015
Qatar Petroleum – sales	<u>447,260,751</u>	<u>312,131,606</u>
Qatar Petroleum – purchases	<u>11,401,316,170</u>	<u>10,663,924,547</u>

The sales to related parties are made on terms equivalent to those that prevail in arm’s length transactions. Outstanding balances at the year end are unsecured and interest free and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables. For the year ended 31 December 2016, the Group has not recorded any impairment of receivables relating to amounts owed by related parties (2015 QR: Nil). This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

d) Compensation to key management personnel

	2016	2015
Other committee allowances	1,697,582	3,906,776
Bonus of board managers (i)	13,600,000	13,600,000
Salaries of executive management	28,076,759	27,362,788
Secondement Allowance	4,068,528	6,321,416
	<u>47,442,869</u>	<u>51,190,980</u>

- i) The board of directors has suggested distributing an amount of QR13,600,000 (2015:QR13,600,000) as a board of directors remuneration for the year 2016 according to the provision of articles of operations, Article No. 46, fifth section, based on the ordinary general assemble meeting of the Company held at 6 March 2016.

11 TRADE RECEIVABLES

	2016	2015 <i>Restated</i>
Trade receivables	2,411,505,674	1,770,020,590
Less: impairment of receivables	<u>(83,398,387)</u>	<u>(1,835,849)</u>
	<u>2,328,107,287</u>	<u>1,768,184,741</u>

QATAR FUEL COMPANY Q.S.C. (“WOQOD”)

Notes to the consolidated financial statements For the year ended 31 December 2016

In Qatari Riyals

11 TRADE RECEIVABLES (CONTINUED)

The aging for trade receivables is as follows:

	2016	2015
a) Aging of neither past due nor impaired		
Neither past due nor impaired	388,979,005	1,278,407,175
Less than 30 days	274,027,983	221,903,670
31 to 60 days	106,219,541	65,331,530
61 to 90 days	64,168,600	102,538,242
b) Aging of past due not impaired		
91 to 180 days	145,377,103	53,291,327
c) Aging of past due and impaired		
More than 181	1,432,733,442	48,548,646
	2,411,505,674	1,770,020,590
d) Movement in the impairment of receivables:	2016	2015
At 1 January	1,835,849	1,062,277
Provided during the year (Note 20)	81,562,538	773,572
At 31 December	83,398,387	1,835,849

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. Most of the above receivables are either secured against a bank guarantee or are receivables from government entities.

12 PREPAYMENTS AND OTHER RECEIVABLES

	2016	2015
Balances with Mudarib investment portfolios	275,410,152	247,327,882
Staff advances and loans	63,942,091	60,957,870
Notes receivables	15,880,546	38,169,695
Refundable deposits	17,750,634	33,120,886
Advances to suppliers and contractors	16,066,920	10,342,167
Prepaid expenses	782,934	3,515,219
Interest receivables	5,300,323	2,329,491
Accrued income (i)	16,222,677	15,829,517
Ministry of finance receivable	136,500,000	-
Other receivables	47,528,811	29,178,379
	595,385,088	440,771,106

- (i) Qatar fuel has an accrued income for a period from July 2012 to December 2016 as a result from the application of the compensation to be recovered from Qatar Petroleum and the cost of compressed natural gas provided to Karwa station, based on the contract for selling and purchasing natural gas between Qatar Fuel and Qatar Petroleum which was confirmed and signed at 25 July 2012.

QATAR FUEL COMPANY Q.S.C. (“WOQOD”)**Notes to the consolidated financial statements
For the year ended 31 December 2016****In Qatari Riyals****13 CASH AND CASH EQUIVALENTS**

	2016	2015
Cash	789,595	1,017,419
Balances with banks		
Current and call accounts	656,782,505	603,454,109
Fixed deposits	2,510,462,696	1,795,815,401
	3,168,034,796	2,400,286,929

During the year Group has deposits carry an interest rate between 1% and 3.5% per annum (2015: 2% and 3% per annum) and all have original maturity of ninety days or less.

14 SHARE CAPITAL

	2016	2015
Authorized:		
100,000,000 ordinary shares of QR 10 each	<u>1,000,000,000</u>	<u>1,000,000,000</u>
Issued and fully paid up share capital:		
91,216,125 ordinary shares of shares (2015: 84,459,375 shares) of QR 10 per share	<u>912,161,250</u>	<u>844,593,750</u>

15 LEGAL RESERVE

Legal reserve is computed in accordance with the provisions of the Qatar Commercial Companies' Law No. 11 for 2015 and the Company's Articles of Association at 10% of the net profit for the year. Transfers to the reserve are made until it equals at least 50% of the paid up capital. The reserve is not available for distribution except in circumstances specified in the Qatar Commercial Companies' law.

16 FAIR VALUE RESERVE

The fair value reserve comprises the cumulative net change in the fair value of available-for-sale financial assets until the assets are derecognized or impaired.

Movement in the fair value reserve:

	2016	2015 (Restated)
At 1 January	138,561,858	267,400,889
Net change in fair value	(12,993,080)	(265,731,830)
Reclassification to statement of profit or loss on impairment of available for sale financial assets	-	136,892,799
At 31 December	125,568,778	138,561,858

17 EMPLOYEES' END OF SERVICE BENEFITS

	2016	2015
Balance at 1 January	90,604,661	76,294,853
Provided during the year (Note 20)	51,427,851	19,763,170
Paid during the year	(5,620,396)	(5,453,362)
Balance at 31 December	136,412,116	90,604,661

QATAR FUEL COMPANY Q.S.C. (“WOQOD”)

Notes to the consolidated financial statements For the year ended 31 December 2016

In Qatari Riyals

18 TRADE AND OTHER PAYABLES

	2016	2015
Trade payables (suppliers and contractors payable)	109,790,823	81,651,733
Accrued expenses	63,102,924	54,904,238
Dividends payable	111,628,730	97,331,240
Retentions payable	46,944,779	30,352,348
Deposits from others	37,530,169	34,984,836
Provisions	67,469,080	118,668,241
Accrued expenses to Doha International Airport	-	53,815,562
Other payables	61,322,031	-
	497,788,536	471,708,198

19 REVENUE

	2016	2015 Restated
Sale of refined petroleum products	11,218,239,695	11,387,310,593
Sale from petrol stations	2,523,735,110	1,728,074,199
Sales of lubricants and supplies	28,336,923	5,029,940
Revenues from inspection services	73,631,474	67,086,855
	13,843,943,202	13,187,501,587

20 GENERAL AND ADMINISTRATIVE EXPENSES

	2016	2015 (Restated)
Staff cost	571,902,348	486,442,640
Depreciation	47,102,941	57,797,600
Bonus	47,754,837	54,939,813
Managing board remuneration	13,600,000	13,600,000
Other committee allowances	1,697,582	3,906,776
Insurance charges	12,876,154	11,279,511
End of service benefits expenses	51,427,851	19,763,170
Advertising and subscriptions	21,842,081	25,616,695
Utilities charges	11,987,414	7,951,775
Communication expenses	13,649,095	14,782,872
Rent expenses	8,608,700	6,893,931
Fleet operating expenses	24,594,066	9,862,438
Immigration expenses	5,808,346	4,200,351
Travel expenses	756,117	1,639,533
Retirement and pension expenses	6,932,484	5,757,131
Staff training and recruitment expenses	1,702,191	1,916,469
Custom clearing expenses	6,036,986	5,360,124
Allowance for impairment of receivables (Note 11)	81,562,538	773,572
Cases provision expenses	-	5,049,600
Technical support expenses	-	44,181,269
Impairment of available for sale investments (Note 7)	20,448,205	136,892,799
Other general and administrative expenses	60,354,437	129,893,245
Impairment of Slow Moving for Inventory (Note 9)	64,188,047	133,798
Impairment of Property and Equipment	14,391,075	-
	1,089,223,495	1,048,635,112

QATAR FUEL COMPANY Q.S.C. (“WOQOD”)

Notes to the consolidated financial statements For the year ended 31 December 2016

In Qatari Riyals

21 OTHER INCOME

	2016	2015
Gain from disposal in available for sale investments	-	46,713,865
Government support	136,500,000	54,600,000
Dividend income	89,430,204	82,497,124
Road tanker rental income	58,352,903	52,880,400
Administrative charges and other income	6,781,854	35,987,432
Rental income	73,033,266	27,287,089
Vessels rental income	-	27,158,728
Miscellaneous income	51,321,655	71,425,306
Interest Income	59,748,633	49,642,823
Reserve for last year board of directors provision	-	37,823,617
Reserve of last year employee bonus provision	-	10,882,936
	475,168,515	496,899,320

22 BASIC EARNINGS PER SHARE

Earnings per share is calculated by dividing the net profit for the year attributable to the shareholders of the Company by the weighted average number of ordinary shares in outstanding during the year as follows:

	2016	2015 (Restated)
Profit for the year attributable to the Owners of the Company	883,110,228	1,050,060,646
Weighted average number of shares outstanding during the year	91,216,125	91,216,125
Basic earnings per share	9.68	11.51

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

	2016	2015
Qualifying shares at the beginning of the year	91,216,125	84,459,375
Effect of bonus shares issued for 2016	-	6,756,750
Weighted average number of shares outstanding	91,216,125	91,216,125

23 DIVIDENDS

The shareholders of the company approved at the Annual General Assembly meeting held on 6 March 2016 a cash dividend of QR 8.2 per share to shareholders with a total amounting to QR 692,566,875 for the year ended 31 December 2015 in addition to the 8 bonus shares for each 100 shares held in the Company. (2014: the shareholders approved a cash dividend of QR 9 per share with a total amounting to QR 760,134,375).

The Board of Directors has proposed cash dividends of QR 7 per share, amounting to a total of QR 638,512,875 for the year ended 31 December 2016 in addition to 9 bonus shares for each 100 shares held in the Company. The proposed dividend for the year ended will be submitted for approval at the Annual General Assembly meeting.

QATAR FUEL COMPANY Q.S.C. (“WOQOD”)

Notes to the consolidated financial statements For the year ended 31 December 2016

In Qatari Riyals

24 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. 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 Chief Executive Officer 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.

2016	<i>Refined petroleum products</i>	<i>Technical inspection of vehicles</i>	<i>Adjustment and eliminations</i>	<i>Consolidated</i>
Revenue	13,770,311,728	73,631,474	-	13,843,943,202
Inter-segment revenue	4,791,187,071	-	(4,791,187,071)	-
Total revenue	18,561,498,799	73,631,474	(4,791,187,071)	13,843,943,202
Reportable segment profit	1,087,548,538	30,368,917	(142,893,248)	975,024,207
2015				
Revenue	13,120,414,732	67,086,855	-	13,187,501,587
Inter-segment revenue	4,948,637,306	-	(4,948,637,306)	-
Total revenue	18,069,052,038	67,086,855	(4,948,637,306)	13,187,501,587
Reportable segment profit	1,275,842,575	(16,803,635)	(109,067,767)	1,149,971,173

Reconciliation of profit

	2016	2015
Segment Profit	1,117,917,455	1,259,038,940
Inter-company dividend	(142,893,248)	(109,067,767)
	975,024,207	1,149,971,173

Assets and Liabilities of operating segments

2016	<i>Refined petroleum Products</i>	<i>Technical inspection of vehicles</i>	<i>Adjustment and eliminations</i>	<i>Consolidated 2016</i>
Segment assets	13,826,104,118	192,081,241	(2,678,507,368)	11,339,677,991
Segment Liabilities	6,453,032,200	16,939,353	(2,412,731,612)	4,057,239,941
2015	<i>Refined petroleum Products</i>	<i>Technical inspection of vehicles</i>	<i>Adjustment and eliminations</i>	<i>Consolidated 2015</i>
Segment assets	11,223,575,720	161,392,549	(1,803,901,618)	9,581,066,651
Segment Liabilities	3,993,900,685	16,619,578	(1,569,211,592)	2,441,308,671

25 COMMITMENTS AND CONTINGENCIES**Commitments****Operating lease commitments – Group as a lessee**

The Group has entered into commercial 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 included 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 31 December 2016 are, as follows.

	<i>2016</i>	<i>2015</i>
Within one year	20,607,104	13,418,695
After one year but not more than five years	38,076,713	22,607,483
More than five years	<u>3,295,480</u>	<u>55,112,050</u>
	<u>61,979,297</u>	<u>91,138,228</u>

Operating lease commitments – Group as a lessor

The Group has entered into commercial spaces rental at the petrol stations, diesel tanks for the local, joint ventures and international customers. These non-cancellable leases have remaining terms 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.

	<i>2016</i>	<i>2015</i>
Within one year	<u>149,879,275</u>	<u>171,788,161</u>

Capital commitments

	<i>2016</i>	<i>2015</i>
Capital commitments	<u>185,143,753</u>	<u>386,885,485</u>

Capital commitments for the year 2016 represents the construction of additional 12 petrol stations at an amount of QR 185,143,753 (2015: QR386,885,485 related to construction of 18 petrol stations).

Contingent liabilities

	<i>2016</i>	<i>2015</i>
Bank guarantees	<u>4,961,278</u>	<u>125,255</u>
Letters of credit	<u>57,961,391</u>	<u>1,200,397</u>

The Group anticipates that no material liabilities will arise from the above guarantees and letters of credits, which are issued in the ordinary course of business.

26 FINANCIAL RISK MANAGEMENT**(i) Credit risk**

The Group's credit risk is primarily attributable to its trade receivables, other receivables, due from related parties and bank balances. The Group seeks to limit its credit risk with respect to customers by setting credit limits for individual customers and monitoring outstanding receivables. Credit evaluations are performed on all customers requiring credit and are approved by the Group's management.

The credit risk on bank balances is limited because the counterparties are banks with high credit ratings assigned by international credit-rating agencies. Bank balances are held with reputed banks in and outside Qatar. Given this, management do not expect these banks to fail on their obligations.

The Group maintains a provision for doubtful accounts receivable; the estimation of such provision is reviewed periodically and established on a case by case basis. Refer to note 11 for trade receivables ageing.

(ii) Liquidity risk

The Groups entire liabilities are non-interest bearing and it manages liquidity risk by maintaining adequate reserves by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

The following are the contractual maturities of financial liabilities including finance cost payments and excluding the impact of netting agreements, if any:

2016	Carrying Amounts	Gross un-discounted contractual cash out flows	Less than 1 year	1 – 5 Years
Due to related parties	3,423,039,289	(3,423,039,289)	(3,423,039,289)	-
Trade and other payables	497,788,536	(497,788,536)	(497,788,536)	-
	3,920,827,825	(3,920,827,825)	(3,920,827,825)	-

2015	Carrying Amounts	Gross un-discounted contractual cash out flows	Less than 1 year	1 – 5 Years
Due to related parties	1,878,995,812	(1,878,995,812)	(1,878,995,812)	-
Trade and other payables	471,708,198	(471,708,198)	(471,708,198)	-
	2,350,704,010	(2,350,704,010)	(2,350,704,010)	-

(iii) Market risk**a) Equity price risk**

The Group is subject to equity price risk in relation to the available-for-sale investments. The Group evaluates the current market value and other factors including normal volatility in share price for quoted equities and other relevant factors such as investment manager's periodical reports relating to unquoted equities in order to manage its market risk.

A 10% increase or decrease in market values of the Group's quoted portfolio of available-for-sale investment is expected to result in an increase or decrease of QR 166 million (2015: QR 164 million) in the assets and equity of the Group.

b) Currency risk

Currency risk is the risk that the value of financial instruments will fluctuate due to changes in foreign exchange rates. The Group's functional currency and significant foreign currency transactions are denominated in currencies pegged with the United States Dollar (“USD”). Therefore, the management is of the opinion that the Group's exposure to currency risk is minimal.

26 FINANCIAL RISK MANAGEMENT (CONTINUED)**(iii) Market risk (continued)****Capital risk management**

The Group manages its capital to ensure that it will be able to continue on a going concern basis while maximizing the return to stakeholders through the optimization of the debt and equity balance. The Group's overall strategy remains unchanged from last years.

27 RESTATEMENT OF PRIOR YEAR BALANCES

During 2016 the Group had the below errors:-

Available-for-sale financial assets represent investments in shares of listed entities on the Qatar Exchange. The restatement is the result of significant decline in the market value of shares, which satisfied the conditions for impairment losses to be recognized in profit or loss account as at 31 December 2015, in accordance with IAS 39 “Financial Instruments: Recognition and Measurement”. The Company recognized this decline in fair value reserve account rather than charging it to profit or loss account in the previous year. As a result, the financial statements of the previous year has been restated to reflect the impact of impairment loss in the available for sale financial assets in the following accounts.

Property, plant and equipment of the Company includes a building which is partly used for Company’s own use and partly for generating rental income. The part of the building generating rental income is material and separately identifiable, which satisfies the criteria to be recognized as Investment Property in accordance with IAS 40 “Investment Properties”. The restatement is the result of reclassifying part of building from property, plant and equipment to investment properties at net book value.

Property, plant and equipment of the Company includes a buildings of petrol stations which is partly used for partly for generating rental income. The parts of the petrol stations rental income is material and separately identifiable, which satisfies the criteria to be recognized as Investment Property in accordance with IAS 40 “Investment Properties”. The restatement is the result of reclassifying part of building from property, plant and equipment to investment properties at net book value.

Trade Receivables of the Group includes a balance related to a customer who has been over charged during previous year due to difference between contract price and normal price for other customers , during the year the Group has adjusted the balance to the retained earnings balance and trade receivables of previous year.

Trade payable of the company include expenses that relates to previous financial period , the company charged these expense during current year , hence , we have reversed these expenses to the previous year.

The following table summarise the impact on the Group's Consolidated financial statements:-

Items related to Statement of financial position	<i>As previously reported</i>	<i>Adjustment</i>	<i>Restated balance as at 31 December 2015</i>
Property, plant and equipment	1,657,631,886	(165,367,568)	1,492,264,318
Investment properties	802,507,610	165,367,568	967,875,178
Trade Receivables	1,808,714,609	(40,529,868)	1,768,184,741
Trade and Other Payable	442,373,222	29,334,976	471,708,198
Fair value reserve	1,669,059	136,892,799	138,561,858
Retained earnings	5,630,043,950	(203,058,267)	5,426,985,683
Non - controlling interest	274,987,562	(3,699,376)	271,288,186
Items related to Statement of profit or loss and other comprehensive income	<i>As previously reported</i>	<i>Adjustment</i>	<i>Restated balance as at 31 December 2015</i>
Revenue	13,228,031,455	(40,529,868)	13,187,501,587
General and Administrative Expenses	886,106,713	162,528,399	1,048,635,112

**Notes to the consolidated financial statements
For the year ended 31 December 2016**

28 SIGNIFICANT MATTER

As at 31 December 2016, the Group has an exposure against one supplier resulted from price differences for the previous financial years. The Group is recording the purchases based on the approved price formula, while the supplier is recording those sales differently.

The Groups' Management held many meeting with the supplier management and all other concerned parties to resolve this dispute at the earliest.

Management is of the view that there is no additional liability on the Group, as they believe that there is no base for any additional claims, and that this matter will be resolved.

29 COMPARATIVE FIGURES

Comparative figures for the previous 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 year except the impact from the adjustment for correction of prior year adjustment disclosed