Annual Report | 2016

PROGRESSING WITH EXCELLENCE

وقود الدولية WOQOD INTERNATIONAL

وقود البحرية WOQOD MARINE

وقود WOQOD

QJet كيوجت

FAHES فاحص

In The Name of **Allah**

The Most Gracious, The Most Merciful

His Highness

Sheikh Tamim Bin Hamad Al-Thani

Emir of the State of Qatar

His Highness

Sheikh Hamad Bin Khalifa Al-Thani

Father Emir

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WOQOD
تبديل الزيوت
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Sheikh Saoud Bin Abdulrahman Al Thani
Chairman of the Board of Directors
Qatar Fuel (WOQOD)

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Vice-Chairman

Mr. Mohammed Nasser Mubarak Al-Hajri
Member - Board of Directors

Mr. Abdulrahman Saad Zaid Al-Shathri
Member – Board of Directors

Sheikh Saoud Khalid Bin Hamad Al Thani
Member – Board of Directors

Mr. Nasser Sultan Nasser Al-Hemaidi
Member – Board of Directors

Mr. Mohammed Abdulaziz Saad Rashed Al-Saad
Member – Board of Directors

OUR PROFILE

INTRODUCTION

Qatar Fuel "WOQOD" is a downstream oil storage, distribution and marketing company, formed in 2002 as a joint stock company listed in Qatar Exchange.

The company was formed from the fuel storage and distribution assets owned at that time by Qatar Petroleum under the name of NODCO (National Oil Distribution Company). NODCO owned Qatar's fuel distribution depot located in Mesaimeer and supplies diesel, gasoline and aviation fuels to the entire State of Qatar through a fleet of dedicated road tankers. All these fuels are supplied to the Doha Depot by a multi-product pipeline from Qatar Petroleum's refinery at Mesaieed.

Qatar Fuel (WOQOD) is exclusively responsible for the distribution of fuel needs within Qatar. This includes diesel and gasoline, for vehicles, boats and industry, and aviation fuel, for Hamad International Airport; all to be served through a fleet of more than 600 road-tankers. The company also trades in bunker fuels, ship-to-ship bunkering within Qatari waters, bitumen importation and distribution for building new roads, LPG for cooking and other uses, and own-branded lubricants. In addition, it builds modern branded service stations across Qatar.

WOQOD has five subsidiaries: Qatar Jet Fuel Company (QJet), WOQOD Vehicles Inspection (FAHES), WOQOD Marine Services, WOQOD International and Al-Khaleej Real Estate.

WOQOD's share growth has been progressive and impressive since establishment, being profitable and the first Qatari company to pay a dividend in its first financial year. Our performance is shared by a strong Qatari shareholder base and positively influenced by our largest shareholder, Qatar Petroleum. In 2010, Qatar Fuel (WOQOD) ranked no.1 among all listed companies in Qatar Exchange in terms of higher EPS.

WOQOD's strategy is to be the best downstream energy company in the region as measured in terms of customer and employee satisfaction and shareholder earnings.

وقود الدولية WOQOD INTERNATIONAL

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OUR VISION

"To be the leading petroleum products and related services marketing company in the region"

OUR MISSION

- Provide all customers with reliable, professional and innovative solutions through friendly, excellent and convenient services.
- To demonstrate accountability for all our activities.
- To achieve our vision and mission, we train and develop competencies across the organization to enable us to demonstrate that we are the best in what we do in the region.
- We will achieve 50% Qatarization by the end of 2018.
- Minimize our impact on the environment will be achieved through the introduction of new technologies not yet seen in the region.

Our brand is inspired by a strong Qatari heritage - the Sidra tree, the environment and the energy from the Sun. The Sidra is endemic to Qatar, it is a tough tree, able to thrive in Qatar's desert environment with minimum maintenance.

Many families have lived with the Sidra tree in their gardens. It provides shade from the sun and beautifies the desert landscape. Our new modern brand will enable us to compete globally but will always remind us of our roots.

OUR BRAND VALUES

PROFESSIONAL

Everything WOQOD does internally and externally will be seen as a truly professional approach. We aspire to be the most professionally managed company in Qatar.

SOLID

WOQOD as a company is built on a solid foundation financially through its shareholders.

FRIENDLY

WOQOD is a friendly company to deal with and always approaches its customers in a friendly manner.

INNOVATIVE

WOQOD leads the market in innovative products, services and processes.

ACCOUNTABLE

WOQOD is truly accountable for all its business activities and their impact.

INTEGRATED MANAGEMENT POLICY

At WOQOD we have an integrated approach for achieving and sustaining Operational Excellence through our commitment to:

- Strive for Zero Harm to our personnel and neighbors.
- Safeguard the environment in which we operate.
- Maintain the operational integrity and security of our assets.
- Deliver high quality in our services and products to our customers.
- Fully comply with Qatari laws, regulations, and regional/international protocols and agreements applicable to our business operation.
- Contribute to the social development of Qataris as a Corporate Citizen.

In order to fulfil the above commitments and achieve continual improvement in our QHSSE performance, we shall develop and maintain an Integrated Management System based on the international management system standards and guidelines related to:

- Quality.
- Occupational health and safety.
- Environment and sustainable development.
- Asset integrity and process safety, and security.

In consultation with our stakeholders, both internal and external, WOQOD management shall set our QHSSE objectives and targets, provide the required resources, effectively control the operations, promote a safe work culture, monitor our performance, and periodically review and improve the management system for its continuing sustainability, adequacy, and effectiveness.

This policy applies to all our facilities, activities, services, and products, as well as to all our employees as well as the contractors working for or on our behalf in the State of Qatar.

SUSTAINING OPERATIONAL EXCELLENCE

A MESSAGE FROM THE CHAIRMAN

Sheikh Saoud Bin Abdulrahman Al-Thani

In the name of Allah, most Gracious, most Merciful,
All praise is due to Allah, the Lord of the worlds. And peace and blessings be on the Noble Messenger.
Excellencies,
Dear gentlemen, shareholders and distinguished guests,
May Peace and God's mercy and blessings be upon you all.

On my behalf, and on behalf of my respected fellow members of the Board, I am pleased to welcome you all to this general meeting of Qatar Fuel and outline the Board's annual report, including a summary of the financial performance of the company during 2016.

The year 2016 was accompanied by a decline in economic growth rates in many of the world's major economies, and this was reflected in the Gulf Cooperation Council countries, all of which recorded marked deficits in their public budgets. Consequently, some of these countries resorted to austerity and precautionary measures to rationalize public spending, with priority given to the implementation of capital projects already planned.

As for the situation in Qatar, the country has been able to, with God's help and that of our visionary leadership, to continue to achieve sustainable economic growth, as we have done in past years (in terms of GDP growth), with stable prices and positive average rates compared to those of the other oil exporting countries in the Middle East, according to estimates by the International Monetary Fund (IMF). Qatar has also maintained its credit rating, which is among the highest in the world, and has achieved advanced positions in global competitiveness indicators, occupying second place in the Middle East.

With regard to the performance of Qatar Fuel during 2016 and our plans for this year, I am pleased to say that it has been positive and on a continuous path of sustainable development, which the company's management is keen to realize, despite all the difficulties and challenges. In 2016, we saw the number of stations owned by Qatar Fuel reach 56, including mobile terminals. New stations are nearing completion, and awaiting final approval to launch operations during 2017, and sites that have been allocated for new projects this year in addition to the projects that have been completed and new products that have been launched, such as WOQODe. These and other achievements are detailed in the Executive Management's report for 2016 .

With regards to the financial performance of the company for the year ended December 31, 2016, this can be summarized as follows:

The net profit for the year for the Group has exceeded QR 975 million as compared to QR 1,150 million in 2015 with a decline of 15.2%. After excluding minority interests, the net profit for the year amounted to QR 883 million and the EPS for 2016 declined to QR 9.7 as compared to QR 11.5 in 2015.

Ladies and Gentlemen, based on the financial results for this period, and our expectations of positive developments in the global economy and oil prices, the regional and global future and its impact, and building on the company's projects and future plans and financing needs, the Board of Directors is pleased to recommend a distribution of cash dividends of QR 638 million, 70% of the nominal capital and paid-up value of QR 7 per share, and 9% bonus shares (i.e., 9 for every 100 shares owned at the date), taking into account the capital projects that the company plans to complete during 2017.

ACKNOWLEDGEMENTS

In conclusion, I would like to take this opportunity to express my deepest gratitude, thanks, appreciation and respect to their Highnesses Sheikh Tamim Bin Hamad Al-Thani, the Emir, the Father Emir Sheikh Hamad Bin Khalifa Al-Thani and the Deputy Emir Sheikh Abdullah Bin Hamad Bin Khalifa Al-Thani for their continued support, wise guidance, and ongoing support for WOQOD, which has had the greatest impact on the company's success and prosperity.

And thanks also to all the officials in the public and private sectors for their sincere efforts in supporting the company's projects and providing all possible assistance.

We also thank our shareholders for their trust in us and loyalty to the company, and we renew our commitment to them in serving their interests and further developing their investments.

And last but not least, we would like to express our appreciation to the employees of the company for their dedication, loyalty and cooperation, which is reflected in the outstanding financial results, hoping they will continue to give, and face all challenges in achieving the company's goals for the benefit of all.

May the Peace, Mercy and Blessings of Allah be upon you.

I wish you all success.

Saoud Bin Abdulrahman Al-Thani
Chairman of the Board of Directors

INNOVATION IN PROGRESS

EXECUTIVE ADMINISTRATION'S REPORT

on the Company's activities and financial results for 2016, and its plans for the future

Engineer **Ibrahim Jaham Al-Kuwari** - Chief Executive Officer

Ladies and Gentlemen, Shareholders:

I am pleased to introduce to you a detailed report of the most important achievements of the company and its financial results for the fiscal year 2016, in addition to its current and future plans and projects.

PROGRESS IN WOQOD'S MAJOR PROJECTS

FIRST: WOQOD STATIONS AND OTHER PROJECTS

1-1 STATIONS WHICH WERE COMPLETED AND BEGAN OPERATING IN 2016:

During the year 2016, WOQOD was able to open and operate 19 new stations, including mobile terminals in different parts of the country. These were:

1. Sawda Natheel

The first station opened by WOQOD in 2016, and characterized by its high-speed pumps to fill diesel tankers. The station has an area of about 10,000 square meters, and has six lanes to provide fuel to vehicles, in addition to a Sidra convenience shop and boutiques such as "Kanar". It also offers car repair, car wash services and gas cylinders. This new station is open around the clock to serve the Sawda Natheel region and neighboring areas on the Salwa international highway.

SAWDA NATHEEL STATION

2. Simaisma Petrol Station

Simaisma petrol station was opened in January, 2016, as part of the ongoing expansion plan adopted by WOQOD in different parts of the state. It sits on an area of 13,200 square meters and has three petrol lanes, one for diesel, and a separate entry and exit, as well as a Sidra shop, car repair services, a car wash, a mosque, gas cylinders, and shops such as Kanar.

SIMAISMA PETROL STATION

3. The Ayn Sinan station

The Ayn Sinan station, located on the Northern Highway was also opened in January 2016, on an area of 10,000 square meters. It has 6 petrol lanes, 2 for diesel, and separate entry and exit, in addition to a Sidra shop, other shops such as Kanar, car repair, car wash and a mosque. It also sells gas cylinders.

THE AYN SINAN STATION

4. Al Thameed petrol station

Al Thameed petrol station, comprising an area of about 9,400 square meters, is located in the north of the country, and was opened in November, 2016. The station has a car wash as well as lube change and tire services, in addition to Sidra and a mosque.

AL THAMEED PETROL STATION

5. Al Shamal City petrol station

Located in the north of the country, with an area of about 10,000 square meters, was opened in December 2016, and provides car wash, oil change, tire services, Sidra and shops. Available in the station are car wash, oil change and tire services in addition to Sidra and other shops.

AL SHAMAL CITY PETROL STATION

6. Three smaller-sized petrol stations at Old Ghanem, Al Bidda'a and Al Muntazah

The three smaller-sized petrol stations are located in the city of Doha, were all inaugurated in November 2016. These stations are characterized by their relatively small size, which does not exceed an area of 1,550 to 2,750 square meters. Their services are limited to the sale of basic petroleum products, in addition to Sidra convenience stores.

OLD GHANEM STATION

AL MUNTAZAH STATION

AL BIDDA'A STATION

7. Old Rayyan petrol station

The WOQOD petrol station in Old Rayyan is located in the north of the country, with an area of about 10,000 square meters, was opened in December 2016, and provides car wash, oil change, tire services, Sidra and shops. Available in the station are car wash, oil change and tire services in addition to Sidra and other shops.

OLD RAYYAN PETROL STATION

8. Al Wukair petrol station

The petrol station at Al Wukair, considered one of the biggest in WOQOD's network, was opened in 2016, and has an area of more than 22,250 square meters. The station offers all the services mentioned above, in addition to a mosque and a Smart FAHES vehicle inspection center.

AL WUKAIR PETROL STATION

AL WUKAIR FAHES VEHICLE INSPECTION CENTER

9. Al Mashaf station

The Al Mashaf station is located north of Al Wukair, and is about 10,000 square meters in area. It was opened in December 2016 and provides all the services already mentioned, including Sidra and a mosque.

AL MASHAF STATION

10. Al Wakra South petrol station

The station, located south of Al Wakra on an area of about 10,000 square meters was opened in December 2016, and includes all the basic services that have been mentioned previously, as well as shops.

AL WAKRA SOUTH STATION

11. Mobile Stations

The Mobile station experience has proven to be very successful in providing essential petroleum products to areas that suffer from a shortage of these products, either because of non-availability of stations or due to the closure of some private stations which had previously supplied these areas. The advantage of these stations is that they are a quick and easy facility that offers all types of fuel needed by customers in those areas.

Mobile units currently offer their services in the following areas: Sealine, Al Kharara, Al Wakra Hospital, Al Sadd, Jelaia'a, Al Shamal (the North) and Rawdat Al Khail. This mobile coverage is now being extended to all the areas that need it.

EXAMPLES OF MOBILE FUEL UNITS

1-2 STATIONS UNDER CONSTRUCTION OR AWAITING PERMITS:

In addition to the stations that opened and began operating in 2016, there are nine new locations in the process of obtaining final licenses in the following regions: Al A'akla, Lusail – in North Doha, Al A'aqda in Al Khor, Abu Nakhla on Salwa Road, Aba Sulail on the southern road, Hamad International Airport, and Umm Ghuwailina in central Doha. In addition, construction of new stations is gathering pace in Assalata Al Jadidah, Al Thumama, and Jabal Thuaylib in the Lusail area. It's expected that these stations will open in 2017 after they've been issued the final necessary licenses to begin operation.

1-3 STATIONS IN THE TENDER AND DESIGN STAGES:

There are 4 projects in the tender stage and 3 others under design in the areas of Um Qarn, West Bay, Al Kara'ana, Old Assalata, Ras Laffan, Education City and Mawateer City.

1-4 STATIONS UNDER CUSTOMIZATION:

36 sites have been allocated in different parts of the country, and coordination with the Urban Planning Authority is underway to complete the procedures related to this, after which the establishment of these projects will go ahead.

1-5 EXPANSION OF EXISTING STATIONS:

Five expansion projects were completed in 2016 in the following districts: Al Tha'aein, Al Hilal, Bu Fuseilah, the Industrial City, and Manaseer. Five other projects are in the tender and design stages in West Bay, Wadi Al Bannat, Sailiyah, Musaimeer East, and Al Gharafa. These expansion projects are expected to be completed in 2017.

1-6 TECHNICAL VEHICLES INSPECTION CENTERS (FAHES)

FAHES projects:

In addition to the FAHES centers currently operating, there are three other centers under construction in Al Shahaniya, Al Khor and Al Wukairukir, all of which will have teams of technicians to manufacture and install vehicle number plates. Completion is expected during the first half of 2017. In addition, there are four other centers under allocation in Al Mazroua'a, Madinat Al Shamal, Al Wajba, and Messaimeer South; these are expected to be completed by the end of 2017.

1-7 SIDRA PROJECTS:

In addition to the Sidra convenience centers currently operating, there is now another Sidra branch at Aamal Tower awaiting the issuance of its license to launch operations after construction work and roll-out of equipment was completed.

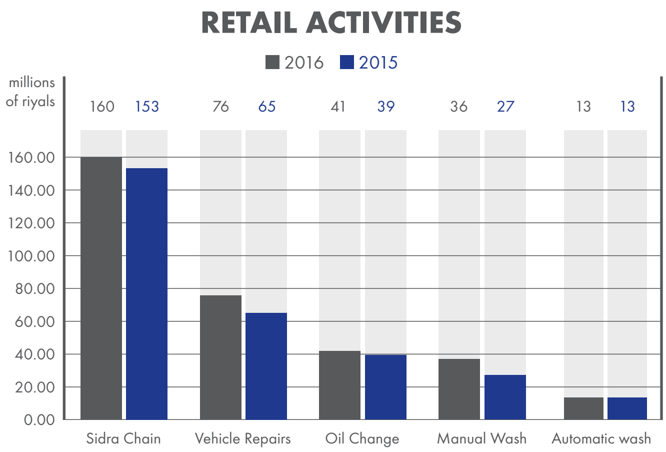
SIDRA BRANCH AT AAMAL TOWER

SECOND: MARKETING ACTIVITIES

2-1 RETAIL ACTIVITIES:

These include services such as car wash bays, oil change, vehicle repairs, tires and the Sidra chain of convenience stores.

2016 saw a 10% growth in total revenues from retail activities offered by WOQOD at its stations and Sidra centers outside the stations, where the total revenue for all activities increased to QR 325.7 million, including Sidra Center revenues of QR 160 million. Moreover, manual car wash activities occupied first place in the annual sales growth of 33.3%, followed by vehicle repair and tire shops by 17%. This graph shows the activities listed for 2016.



It is worth noting in this regard that WOQOD services, especially for oil change and vehicle repair has received increasing interest and confidence from customers, as the products offered are of a high quality, and are provided by expert, efficient and specialized technicians in a clean working environment.

2-2 LIQUID PETROLEUM GAS (LPG):

The year 2016 saw a growth of 14% in total LPG sales as compared to sales in 2015. That is, sales rose to 139,170 metric tons for 2016, compared to 121,777 metric tons for the previous period in 2015.

These figures can be broken down as follows:

- **LPG QUANTITIES IN BULK:**

LPG bulk sales increased by 17% during 2016 compared to 2015, reaching 42,696 metric tons in 2016 compared to 36,565 metric tons in 2015.

WOQOD FOLLOWS STRINGENT WORLD SAFETY CRITERIA IN DELIVERING GAS

The following table outlines the sales of butane gas with regard to the different economic sectors:

LPG SALES ACCORDING TO ECONOMIC SECTOR (IN METRIC TONS):

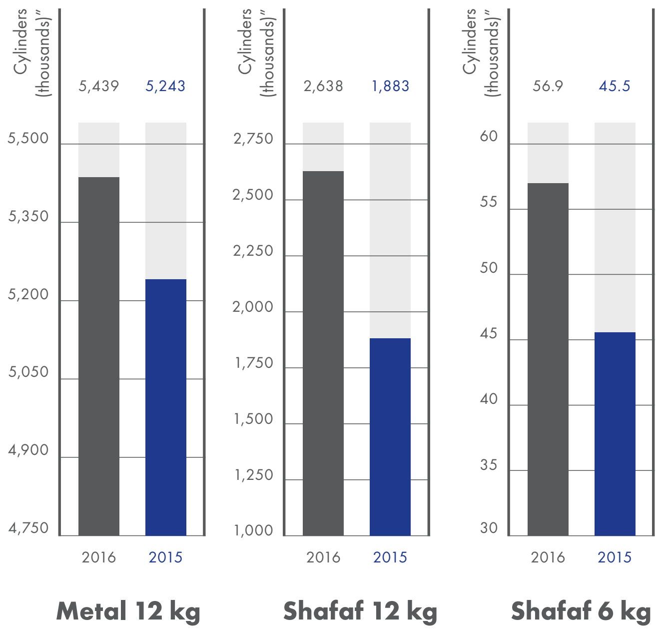
Sector	2015	2016	% Change
Residential	1,039	1,157	11
Commercial	28,561	33,851	19
Industrial	6,965	7,688	10
Total	**36,565**	**42,696**	**17**

LPG bulk sales increased by 17% during 2016 compared to 2015, reaching 42,696 metric tons in 2016 compared to 36,565 metric tons in 2015.

- **LPG CYLINDERS:**

Also in 2016, WOQOD continued to replace metal gas cylinders with the new SHAFAF type. This was done in a gradual and flexible manner so as not to cause any undue inconvenience in the domestic market. The Company also continued to offer customers a QR 100 incentive when metal gas cylinders were replaced with the transparent SHAFAF cylinders. Although there is an increase in the sales of the metal cylinder, this rate of increase is declining compared to 2015, and the metal cylinder is expected to be completely phased out in 2017.

The following chart shows the sales of metal and Shafaf cylinders during the periods mentioned.



The chart shows that sales of the 12kg Shafaf cylinder rose by 40% to about 2.6 million units for 2016, while sales of the 6kg type increased by 25% to reach 56.9 thousand, as compared to 45.5 thousand in 2015.

2-3 NATURAL GAS (INDUSTRIAL AND COMPRESSED) (CNG):

SALES OF NATURAL GAS PER MILLION BRITISH THERMAL UNITS (MMBTU)

Sector	2015	2016	% Change
Industries	482,612	743,462	54
QP Station	51,789	31,692	-39
Total	**534,401**	**775,154**	**45**

As shown above, natural gas sales rose by 45% during the year 2016. WOQOD plans to expand the use of compressed natural gas especially for the transportation sector, through the establishment of new plants in the coming period. This will be done with the technical cooperation of Qatar Petroleum, the supplier of natural gas in Qatar.

ONE OF THE CNG FILLING STATIONS

2-4 BITUMEN:

The total sales of bitumen (normal and improved) grew by 26% in 2016, with the quantities of both types sold reaching 86,969 metric tons, compared with 68,927 in 2015.

The following table illustrates the sales of both types of bitumen during the period.

SALES OF BITUMEN IN 2016 (IN METRIC TONS):

Product	2015	2016	% Change
Bitumen 60/70	59,890	76,108	27
Improved Bitumen	9,037	10,861	20
Total	**68,927**	**86,969**	**26**

It is worth mentioning that bitumen sales face intense competition in the local market, especially since the products WOQOD imports for the domestic market enjoy world-class quality, with international specifications that are deemed acceptable to contractors and government projects. Currently, WOQOD is working to complete the construction of additional reservoirs for bitumen in the Mesaieed area, which will allow for increased storage capacity to meet the requirements of local projects, particularly by ASHGHAL, the Public Works Authority, in its building of roads and infrastructure networks.

THIRD: WOQOD-OWNED COMPANIES AND SUBSIDIARIES

3-1 WOQOD VEHICLES INSPECTION (FAHES):

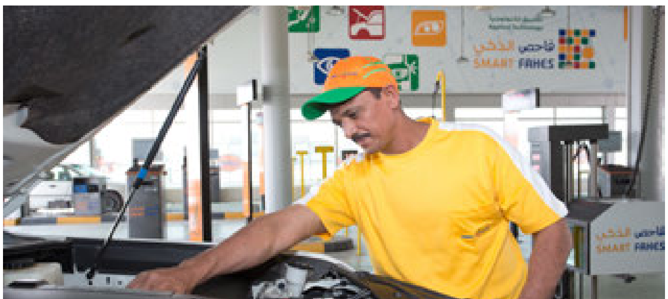
FAHES فاحص

The year 2016 saw a major surge in the number of vehicles that underwent screening - more than one million and 24,000 vehicles compared to 921,472 in 2015: an increase of more than 11%. The Rapid Repair Service showed impressive success as well – an innovative service, launched during the year, to provide quick service for cars that did not successfully pass technical inspection for simple reasons such as small scratches, light bulb replacement, or a malfunctioning of the battery. Such faults are repaired on the spot, and a re-examination of the vehicle takes place immediately after, saving time and effort for the customer, and realizing added revenue for the Company.

The year 2016 saw the construction of three technical inspection centers in the following regions, which are now ready, and awaiting final approvals for the launch of their services:

1. Al Wakra center has 4 lanes for cars and one for trucks, vans and lorries.
2. Shahhaniya Center has the same set-up as the Al Wakra center.
3. Uqda center has 3 lanes for cars and one for trucks.

It is expected that these centers will start operating during the first half of 2017.



THE LATEST EQUIPMENT AND SYSTEMS ARE USED DURING THE FAHES INSPECTION

ONE OF THE NEW, MODERN FAHES CENTERS

3-2 WOQOD'S MARINE SERVICES:

وقود البحرية
WOQOD MARINE

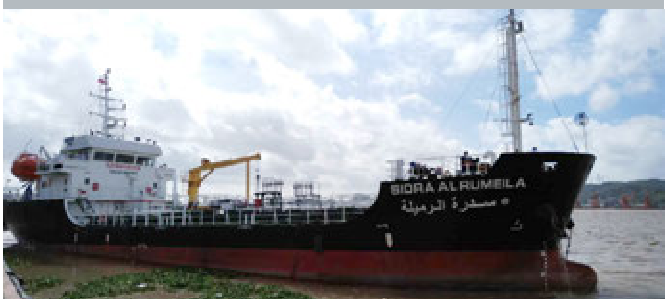
WOQOD's current operating fleet includes 7 ships excluding Sidra Qatar, which is undergoing construction and nearing completion. Delivery is expected during the first quarter of 2017.

Ships owned by WOQOD Marine

Name	Type	Capacity (Metric Tons)
1. Sidra Ras Laffan	Oil Tanker	34,671
2. Sidra Messaied	Bitumen tanker	3,713
3. Sidra Al Wajba	Bitumen tanker	4,173
4. Sidra Al Wakra	Bitumen tanker	3,394
5. Sidra Al Rumeila	Oil and Water tanker	842
6. Sidra Al Zubara	Oil Tanker	7,047
7. Sidra Al Gharia	Bitumen tanker	3,394
8. Sidra Qatar	Bitumen tanker	4,000

At the technical and operational level, the company has notched up many achievements related to the relicensing, maintenance and renovation of some vessels with the aim of leasing them. This is expected to increase the company's revenues in the coming period.

SIDRA AL WAKRA



SIDRA AL RUMEILA

WOQOD وقود

TOTAL CONTROL تحكم كامل

- **Achieve** control of billing
- **Eliminate** fraud in billing
- **Reduce** refueling time
- **Ease** traffic congestion

3-3 QATAR JET FUEL COMPANY (QJET):

QJet is the only company in charge of providing jet fuel to aircraft from more than 60 countries using the new Hamad International Airport. This commercial-type Jet fuel conforms to A1 international standards in terms of quality and safety. The company also deals with the more than 60 airlines that use the airport, as well as with other service companies, including Qatar Airways as the top priority airline on the list of the company's customers. The company during 2016 also updated policies and procedures, as well as its guide to governance structures. This is in addition to plans to increase the effectiveness and efficiency of marketing their products and thus, attracting a greater number of customers.

MODERN JETS BEING REFUELED AT THE NEW AIRPORT

ONE OF QATAR FUEL'S STATIONS FOR AVIATION FUEL

FOURTH: THE DEPARTMENT OF MANAGEMENT

The year 2016 saw significant developments in terms of Management and the Department of Human Resources as the company completed the overhaul of administrative structures, set up new departments, updated policies and procedures and brought out the management guide in cooperation with a specialized consulting firm.

The most important achievements of 2016 can be summarized as follows:

1. Summer Training Program:

WOQOD's Summer Field Training Program for Qatari and non-Qatari students provides them with an opportunity to develop the practical side of their studies and gain new experiences in various disciplines.

STUDENTS FROM ONE OF THE FOREIGN UNIVERSITIES PARTICIPATING IN THE SUMMER TRAINING PROGRAM

2. Country Cadre:

WOQOD's administrative affairs department continued to offer Qatari employees training programs and courses in Qatar and abroad. This has resulted in a Qatarisation rate of 90% in the higher positions and about 40% in the medium-level positions; there are some field positions such as petrol station workers, drivers and other areas that rely on foreign workers. In recognition of WOQOD's efforts in the Qatarisation process, it has been awarded a certificate of appreciation from the Ministry of Energy and Industry for its impressive efforts in this area.

THE HEAD OF THE QATARISATION SECTION SPEAKING WITH THE MINISTER OF EDUCATION AND HIGHER EDUCATION

3. WOQOD's Participation in Career Exhibitions:

WOQOD also took part in several Career Fairs organized by various schools and technical academies during 2016.

WOQOD PARTICIPATING IN CAREER FAIRS

WOQOD PARTICIPATING IN SCHOOL EXHIBITIONS

WOQOD FOLLOWING THE PERFORMANCE OF STUDENTS SENT TO STUDY ABROAD

4. Hiring and training people with special need:

Qatar Fuel has appointed 12 male and female employees with special needs to permanent jobs, and is training 5 students from the Shafallah Center in order to help and support them to hone their skills and abilities, and so become active and productive individuals in their community.

5. Following up on scholarship students studying abroad:

Based on Qatar's social responsibility and its support for cultural and social events, a number of Qatari students were sent abroad for undergraduate study in different disciplines; and WOQOD monitors their academic performance so as to help them overcome any obstacles they may face.

FIFTH: THE DEPARTMENT OF INFORMATION TECHNOLOGY (IT)

The year 2016 saw significant developments in terms of information technology, the most important of which was the completion of the application of the electronic payment system WOQODe for companies at the beginning of the year and for the general public in the last quarter of the year, allowing companies and individuals to pay for their purchases of petroleum products electronically at gas stations without the need to use cash, credit cards or request bills. This is done through an electronic chip installed in the vehicle's fuel tank which monitors the purchase of fuel and records it in the customer's account with WOQOD. This new system allows payment of the value of all purchases at the end of each month through the client's authorized balance with the company. It also prevents fraud or manipulation in the procurement of customer bills for both companies and drivers for individuals because it does not require the use of cash. The number of vehicles using the WOQODe system at the end of 2016 was about 50,000. This number is expected to rise dramatically in 2017.

In addition to the above, the Department of Information Technology has developed security systems on the company's servers and raised operational efficiency, in addition to the development of protection systems on the company's networks, thus preventing hacking, especially after the increased wave of hacking attempts on a regional and global scale.

The department also worked during the year to link the new stations that have opened with the sales system (Oracle Retail), equipment inventory and upgrade of their infrastructure.

In addition, it has been able to further develop links to the systems of Qatar jet fuel (QJet) and connect them to those of the parent company.

And finally a website with a new look has been launched, using the latest technology and global software to build the site; and work is under way to complete the second phase of the project, which will offer customers a variety of online services.

A TRAINING WORKSHOP ORGANIZED BY THE IT DEPT.

SIXTH: QUALITY, HEALTH, SAFETY, SECURITY AND THE ENVIRONMENT (QHSSE)

This department was established in 2015, with the aim of ensuring the safety and quality of processes and services at WOQOD and its subsidiaries in accordance with internationally approved standards, in addition to guaranteeing the application of laws and regulations issued by public and private bodies in Qatar.

The management made a number of achievements during 2016, including the following:

1. A review and monitoring of the quality management system was successfully conducted in 2016, covering most of WOQOD and its subsidiaries' areas of operation.

2. Awareness programs were held, related to public safety while driving in bad weather, especially during rain or fog.

3. Various training courses were given related to public safety and the protection of the environment and health and conforming with international standards in order to strengthen staff awareness and competence.

4. A review of security plans developed for WOQOD and its subsidiaries.

5. Development and activation of alarm systems and fire fighting procedures in different work areas.

6. Regular audits and inspections of all company locations and affiliates in all matters relating to safety, the environment, and efficient quality management.

7. A familiarization video has been installed in the lobby of WOQOD Tower, which informs visitors about safety rules, and what to do in case of fire or other disasters as laid down by the approved evacuation plans.

TRAINING IN SAFETY AND EXTINGUISHING FIRES

SEVENTH: CORPORATE SOCIAL RESPONSIBILITY (CSR)

CSR is considered to be one of the most fundamental pillars of the continuing success of individuals and society at WOQOD. The company is always keen on investing in individuals, and thus is the forerunner in encouraging and supporting all projects that contribute to growth and development on the basis of Qatar National Vision 2030. Qatar Fuel has a large number of initiatives in this area, including the following:

1. Leadership in Social Responsibility:

The company received the Leadership Award in CSR at the launch of the annual report for Social Responsibility 2015 ceremony, which bore the name "Leadership Vision". The ceremony was held at the University of Qatar in mid-2016.

LEADERSHIP IN SOCIAL RESPONSIBILITY

2. Traffic Safety – a Priority:

WOQOD Vehicles Inspection (FAHES), a subsidiary, participated in Gulf Traffic Week, held under the auspices of Qatar's Ministry of Interior. The company aims to raise awareness about the need for traffic safety through technical inspection of all vehicles at FAHES centers across the country, which are conveniently located for easy access by citizens and residents.

WOQOD AT GULF TRAFFIC WEEK

3. The Signing of a Memorandum of Understanding with Qatar Volunteer Center:

WOQOD signed a memorandum of understanding with Qatar Volunteer Center in January, 2016, whereby the center would provide WOQOD with volunteers having high qualifications and skills when the need arises.

SIGNING OF THE MOU WITH QATAR VOLUNTEER CENTER

4. WOQOD's participation in National Sports Day:

Each year, Qatar celebrates Sports Day on the second Tuesday of February - an official holiday for all in order to motivate people to attend sports events and increase awareness of the importance of sport for human health. WOQOD is considered to be one of the leading participants in the events and activities of Sports Day every year with its employees and their families, which increases the activity and efficiency of the members of the community from the young to the elderly.

QATAR FUEL (WOQOD) TAKING PART IN NATIONAL SPORTS DAY

5. Honoring WOQOD volunteers at Darb Assai:

A ceremony was held in January, 2016 for WOQOD volunteers, who played a key role in the popularity and success of the WOQOD wing at the 2015 Darb Assai Festival. The ceremony received appreciation and praise from both young and old.

THE CHAIRMAN OF THE BOARD AND THE CEO HONORING WOQOD VOLUNTEERS AT DARB ASSAI

6. A Blood Donation Campaign at WOQOD Tower:

Keen to support health initiatives, WOQOD, in collaboration with the Hamad Medical Corporation and Oryx took part in a blood donation campaign in May, 2016. The call for the company's employees to donate blood to patients in need received a quick and eager response, and helped the Blood Bank to obtain rare blood types.

WOQOD TAKES PART IN BLOOD DONATION CAMPAIGN

7. "The Best in Us" campaign:

WOQOD also sponsored the campaign "The Best in Us," with the motto: "Hand in hand in the building of tomorrow's generation, which aims at instilling values and morals, and presenting volunteer work as an integral part of good character whether in the scope of knowledge or skills. The campaign also seeks to promote an Islamic and national identity among the children of the community.

8. Ramadan and Charity Events:

WOQOD also participated in several charity events during the holy month of Ramadan in 2016, providing material support to the Qatar Cultural and Social Center for the Deaf and Care for the Elderly. It also provided Iftar meals at its stations, and a bus service for people fasting, and shared in the joy of children on Garangaou evening. It also contributed to the RAF charity, where it was a sponsor of the program "Promise of Mercy".

WOQOD IN RAMADAN

WOQOD ALSO PARTICIPATED IN GARANGAOU

9. WOQOD: a key partner in the school program "A Green Environment":

This program, which is held under the auspices of the Supreme Education Council (SEC) visits are organized to participating schools to educate students in environmental issues and how to preserve the environment by providing them with the necessary knowledge and tools. At the end of the program, a number of winning schools are selected as "Environmental Schools." The most recent program was held in May, 2016.

LET'S WORK FOR A GREENER ENVIRONMENT

10. Lecture in First Aid and CPR-Pulmonary Resuscitation:

If carried out in a proper manner, first aid could save a person's life, but it's crucial to act early, in the first few seconds of the incident before the ambulance arrives. In April, 2016, WOQOD, in collaboration with Hamad Medical Corporation, took part in an awareness lecture for its employees about pulmonary resuscitation.

A LECTURE ON PULMONARY RESUSCITATION

11. The Signing of a Memorandum of Understanding with the Qatar Cancer Society:

WOQOD also cooperates with the Qatar Cancer Society to raise awareness in the community about cancer. This is done by facilitating the work of the Society in holding lectures, training courses and workshops on the subject for WOQOD employees, with a special emphasis on early detection of the disease. The cooperation agreement was signed in October, 2016 at WOQOD Tower in Al Dafna (West Bay).

THE SIGNING OF AN MOU WITH THE QATAR CANCER SOCIETY

EIGHTH: DEPARTMENT OF INTERNAL AUDIT

In 2016, the department of internal audit completed many of the tasks that had been mandated to it by the Board of Directors and Chief Executive Officer, in addition to participating in the meetings of the Audit Committee and drawing up the follow-up reports. In addition to these functions, the Audit Department completed the following:

- Examined the asset auditing resource planning system (ERP) at FAHES.
- Prepared a comprehensive study on the sales of marine vessel oil and the department for reserves related to this.
- Drew up comprehensive studies for both the quantities of LPG sold, and maintenance activities at the gas stations.
- A review of policies and procedures in the corporate directory.

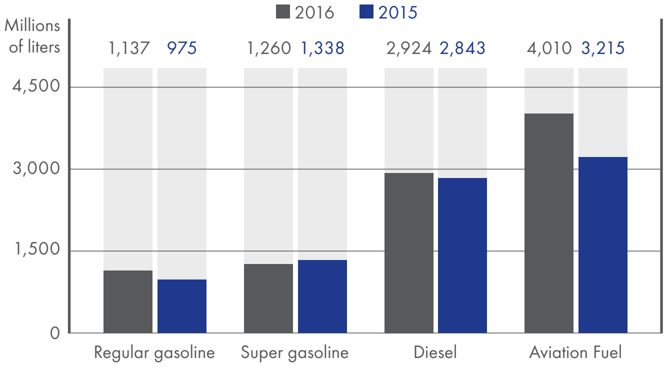
As part of the internal audit policy, the administration worked on the confidentiality of information and data to ensure that they matched policies, procedures, regulations and laws the company has adopted to ensure the development of the internal audit systems and protect the company's assets in order to guarantee optimal use of Company resources and prevent any tampering or abuse.

NINTH: THE OPERATIONS, LOGISTICS AND DISTRIBUTION DEPARTMENT

QATAR FUEL recorded a positive growth in sales of fuel and petroleum products of various kinds, exceeding 11.5% in 2016 with total sales exceeding 9,331 million liters.

The year 2016 was distinguished by the growth in sales of aviation fuel by about 24.7%, reaching 4,010 million liters; Premium gasoline was up by 16.6%, followed by diesel at 2.8%, while sales of Super gasoline fell by 5.8%. The reasons for this decline was Qatar Petroleum's (QP) mid-2016 application of GCC specification to two types of gasoline: the Premium 91 Octane and 95 Octane Super types, and the cancellation of 90 Octane and 97 Octane. Due to matching the two types of gasoline to international and Gulf standards, consumption shifted from Super 97 to Super 95 Octane, and for regular, from 90 to 91 Octane – all this at the expense of Super gasoline.

Sales of petroleum products for 2016



As for diesel sales, these grew by about 3% during 2016 compared to 2015; and the number of leased tankers for diesel rose by about 39% during the period.

The various activities of the Distribution Department in 2016 can be summarized as follows:

1. The Ministry of Energy and Industry assigned WOQOD with the task of coordinating with operating fuel stations in the country to take executive action to implement the new pricing system for petroleum products, which began in April, 2016.
2. A 24 inch supply pipeline has been awarded to the producer of aviation fuel from the Ras Laffan refinery to Hamad International Airport's new reservoirs in coordination with Qatar Petroleum. Expected completion date: the third quarter of 2019.
3. A project has been awarded to build bitumen tanks, which is expected to be completed during the first quarter of 2017.

In conclusion, WOQOD would like to express its most sincere gratitude and appreciation to HH Sheikh Tamim Bin Hamad Al-Thani, the Emir of Qatar for his continued support of WOQOD. We also thank HE Sheikh Saoud Bin Abdulrahman Al-Thani, Chairman of the Board, his Deputy, and the distinguished members of the Board for their guidance and constructive advice.

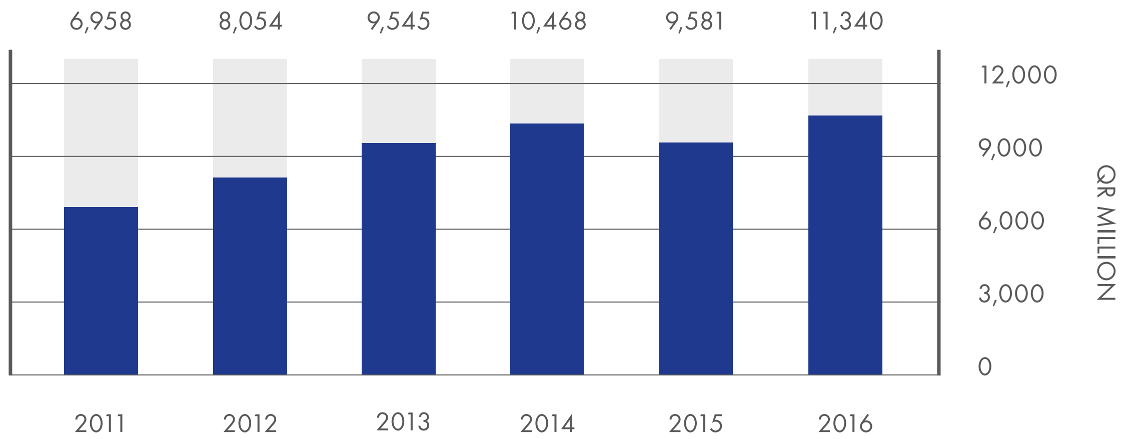
And thanks also to all government agencies and officials, public and private institutions, our shareholders and all the company's employees and workers in the field who serve the company and its development efforts. We promise everyone that we shall exert more effort towards the achievement of the company's set goals, and to meet the challenges ahead.

Peace, mercy and blessings of Allah,

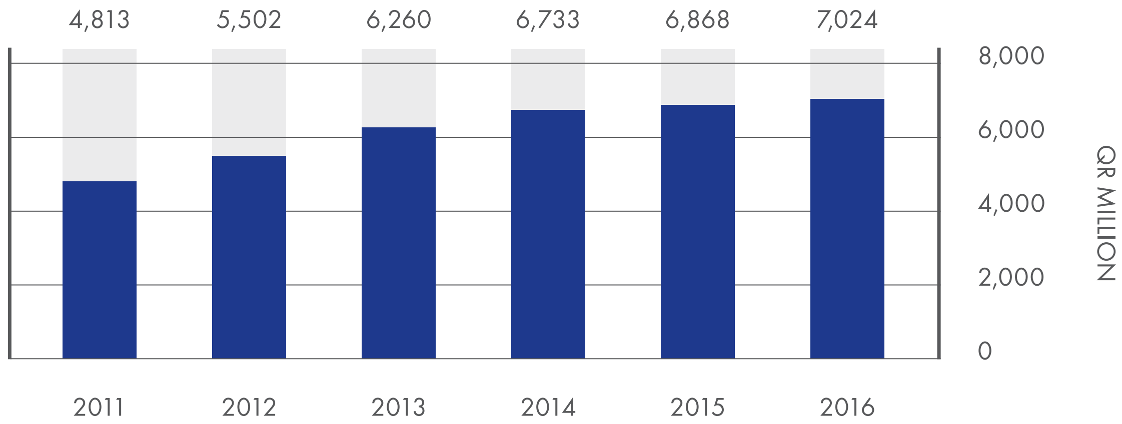
Engineer/ Ibrahim Jaham Al-Kuwari
Chief Executive Officer

Key financial indicators (2011-2016)

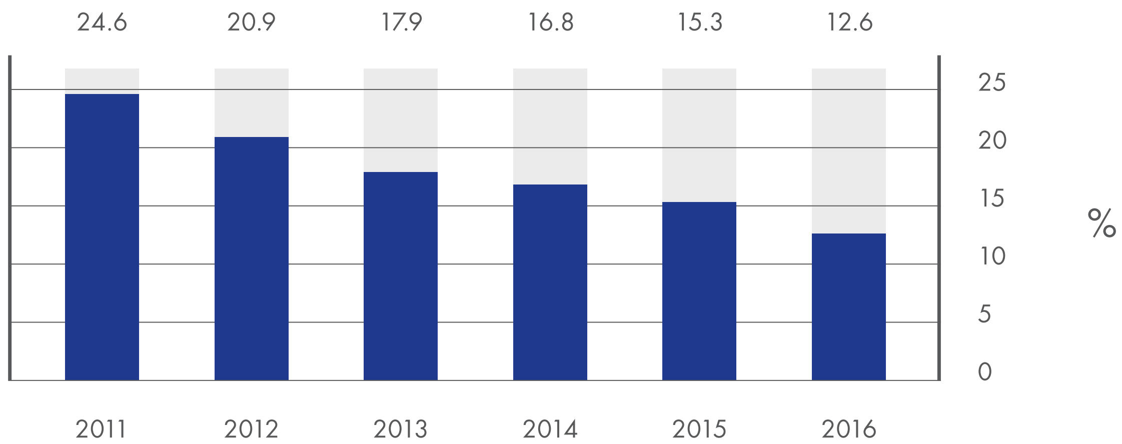
TOTAL ASSETS



SHAREHOLDERS' EQUITY

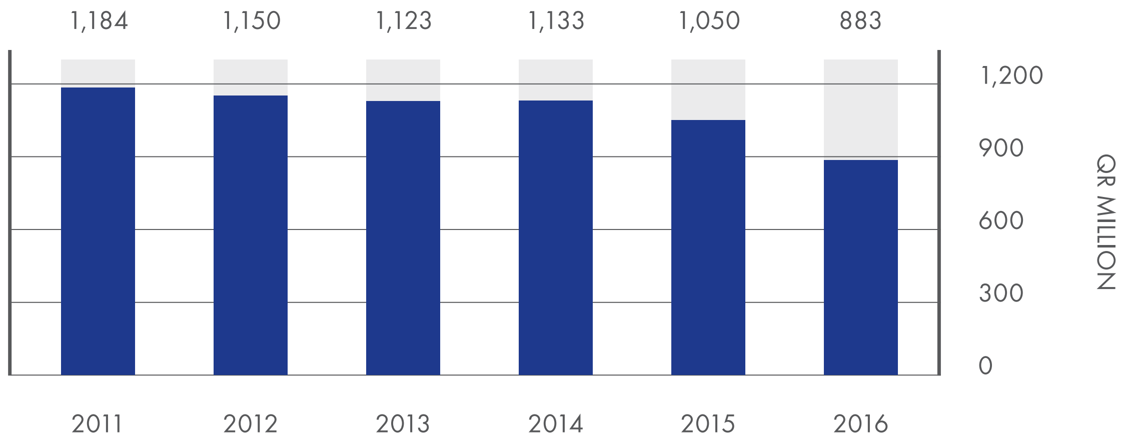


RETURN ON EQUITY

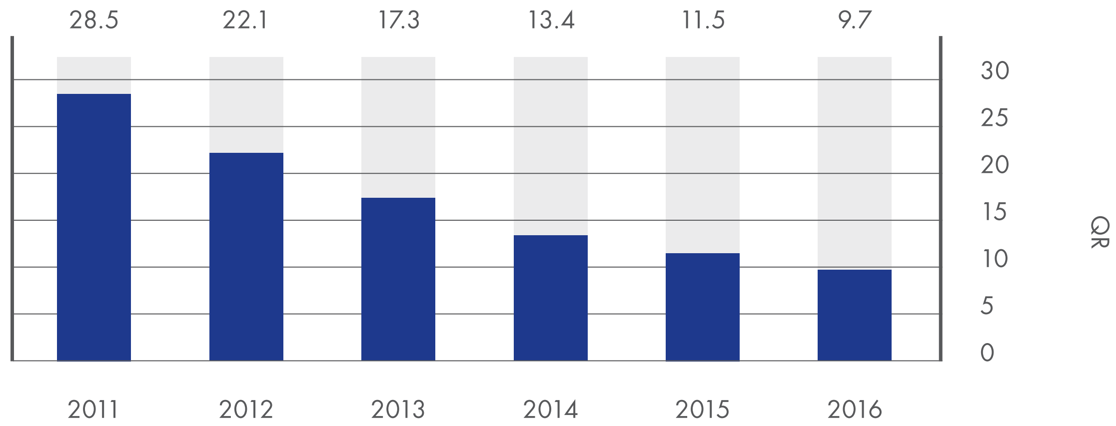


Key financial indicators (2011-2016)

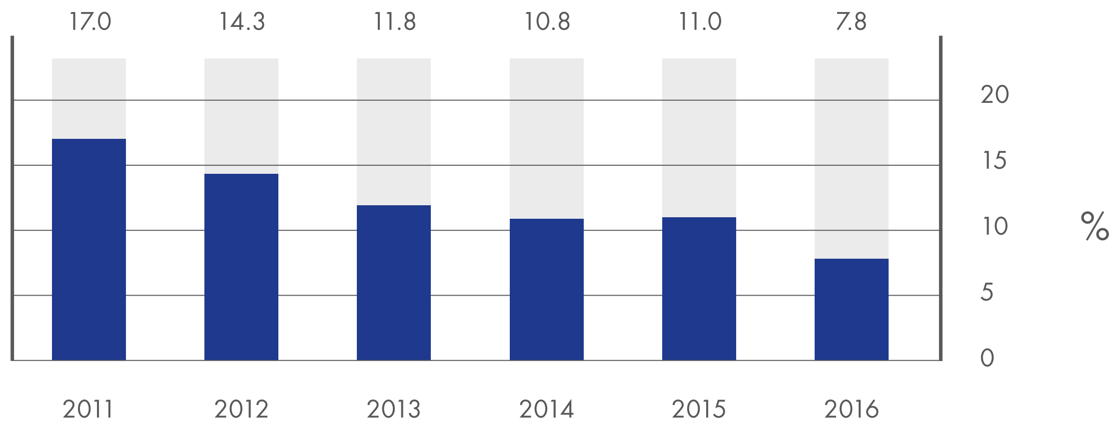
NET PROFIT



EARNINGS PER SHARE



RETURN ON ASSETS



FUELING QATAR'S AVIATION NEEDS

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.

See note 2,3 and 11 to the consolidated financial statements	
Impairment allowance for trade receivables	**How the matter was addressed in our audit**
We focused on this area because: • 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.	Our audit procedures in this area included, among other things: • 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	
Depreciation of property, plant, equipment and investment properties	**How the matter was addressed in our audit**
• 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.	Our audit procedures in this area included, among others: • 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.

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**
We focused on this area because: • 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.	Our audit procedures in this area included, among other things: • 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.

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.

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	**Yacoub Hobeika**
Doha	KPMG
State of Qatar	Qatar Auditors' Registry Number 289

CONVENIENCE TO SUIT YOUR NEEDS

سدرة
Sidra
الأفضل لخدمتكم
The Convenient Store

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2016

	Notes	31 December 2016 QR	31 December 2015 QR (Restated)	1 January 2015 QR (Restated)
ASSETS				
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		4,483,393,659	4,240,333,547	3,105,846,780
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		6,856,284,332	5,340,733,104	7,362,221,817
Total assets		**11,339,677,991**	9,581,066,651	10,468,068,597
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		7,023,942,311	6,868,469,794	6,732,757,133
Non-controlling interest		258,495,739	271,288,186	255,458,524
TOTAL EQUITY		7,282,438,050	7,139,757,980	6,988,215,657
LIABILITIES				
Non-current liabilities				
Employees' end of service benefits	17	136,412,116	90,604,661	76,294,853
Total non-current liabilities		136,412,116	90,604,661	76,294,853
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		3,920,827,825	2,350,704,010	3,403,558,087
TOTAL LIABILITIES		4,057,239,941	2,441,308,671	3,479,852,940
TOTAL EQUITY AND LIABILITIES		**11,339,677,991**	9,581,066,651	10,468,068,597

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

Saoud Bin Abdulrahman Al-Thani	**Ibrahim Al-Kuwari**	**Jaber Al-Hedfa**
Chairman	Chief Executive Officer	Chief Financial and Administration Officer

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the year ended 31 December 2016

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

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2016

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2016

	Attributable to the owners of the company							
	Share capital QR	Legal reserve QR	General reserve QR	Fair value reserve QR	Retained earnings QR	Total QR	Non-controlling interest QR	Total equity QR
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
Total comprehensive income for the year:								
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
Total comprehensive income for the period:								
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**

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 December 2016

	Notes	2016 QR	2015 QR (Restated)
CASH FLOWS FROM OPERATING ACTIVITIES			
Net profit for the year		975,024,207	1,149,971,173
Adjustments for:			
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)
		1,323,427,037	1,293,837,601
Changes in:			
- 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		1,544,043,477	(1,218,010,553)
Cash generated from operating activities		1,977,919,150	692,820,959
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		**2,032,047,387**	737,010,420
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		**(471,732,645)**	(1,442,291,981)
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		**(792,566,875)**	(832,134,375)
Net increase / (decrease) in cash and cash equivalents		767,747,867	(1,537,415,936)
Cash and cash equivalents at 1 January		2,400,286,929	3,937,702,865
Cash and cash equivalents at 31 December	13	**3,168,034,796**	2,400,286,929
Non Cash Transactions			
(1) Change in Fair Value reserve (Note 16)		**12,993,080**	265,731,830
(2) Effect of Fair Value reserve on non-controlling interest		**4,706,426**	12,080,865
(3) Bonus Shares distributed to increase capital		**67,567,500**	-
(4) Contribution to social and sports fund		**22,077,756**	31,327,973

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 Vehicles Inspection Company ("FAHES") W.L.L.	State of Qatar	100%	100%
Qatar Jet Fuel Company W.L.L.	State of Qatar	60%	60%
WOQOD Marine Services Company W.L.L.	State of Qatar	100%	100%
WOQOD International Company W.L.L.	State of Qatar	100%	100%
WOQOD Kingdom Company W.L.L.	Kingdom of Saudi Arabia	100%	100%
Ard Al Khaleej Real Estate W.L.L.	State of 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.

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.

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.

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.

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.

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.

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.

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.

d) 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.

e) 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.

f) 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.

g) 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.

h) 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.

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.

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.

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.

While calculating the end of service the company has taken into consideration the new amendments of the new Qatari 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

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.

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.

5. PROPERTY, PLANT AND EQUIPMENT

	Land	Buildings and infrastructure	Plant and equipment	Veh icles, office equipment and furniture	Vessels	Projects in progress	Total
	QR	QR	QR	QR	QR	QR	QR
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**

	Land	Buildings and infrastructure	Plant and equipment	Veh icles, office equipment and furniture	Vessels	Projects in progress	Total
	QR	QR	QR	QR	QR	QR	QR
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**

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 31Decdember 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 QR	2015 QR (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

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
	QR	QR
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 Manifacturing Co.	7,794,442	-
Al Meera (Q Invest)	13,065,000	-
	1,667,535,867	**1,647,258,919**

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

	2016 QR	2015 QR (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	**1,667,535,867**	1,647,258,919

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	**1,667,535,867**	**1,667,535,867**	-	-

	2015	Level 1	Level 2	Level 3
Available-for-sale financial assets	1,647,258,919	1,647,258,919	-	-

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 QR	2015 QR
Relating to Qatar Jet Fuel Company W.L.L. (QJet)	57,700,022	57,700,022
Relating to WOQOD Vehicles Inspection Company (FAHES)	75,235,110	75,235,110
	132,935,132	132,935,132

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.
- 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 QJet 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 QJet and 11% for FAHES.
- The value of equity using the above mentioned approaches amounted to QR 754 million for QJet 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 QJet for the year 2016 have been derived from the following assumptions

- The annual growth rate of QJet 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 QJet 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.

9. INVENTORIES

	2016 QR	2015 QR
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
	345,372,384	370,788,026
Provisions slow moving items	(64,877,354)	-
	280,495,030	370,788,026

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

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

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 QR	2015 QR
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	447,260,751	312,131,606
	484,262,131	360,702,302

b) Balances due to related parties:

	2016 QR	2015 QR
Qatar Fertiliser Company ("QAFCO") C.Q.S.C.	-	26,120
Qatar Petroleum	3,423,039,289	1,878,969,692
	3,423,039,289	**1,878,995,812**

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 QR	2015 QR
Qatar Petroleum – sales	**447,260,751**	312,131,606
Qatar Petroleum – purchases	**11,401,316,170**	10,663,924,547

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 QR	2015 QR
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
	47,442,869	51,190,980

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

The aging for trade receivables is as follows:

	2016 QR	2015 QR
a) Aging of neither past due not 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

	2016 QR	2015 QR
d) Movement in the impairment of receivables		
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 QR	2015 QR
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.

13. CASH AND CASH EQUIVALENTS

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

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 QR	2015 QR
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 QR	2015 QR
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

18. TRADE AND OTHER PAYABLES

	2016 QR	2015 QR
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 QR	2015 QR (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 QR	2015 QR (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**

21. OTHER INCOME

	2016 QR	2015 QR
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 QR	2015 QR (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 QR	2015 QR
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.

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	Refined petroleum products QR	Technical inspection of vehicles QR	Adjustments & eliminations QR	Consolidated QR
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	Refined petroleum products QR	Technical inspection of vehicles QR	Adjustments & eliminations QR	Consolidated QR
Revenue	13,120,414,732	67,086,855	-	13,187,501,587
Inter-segment revenue	4,948,637,306	-	(4,948,637,306)	-
Total revenues	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 **QR**	2015 QR
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	Refined petroleum products QR	Technical inspection of vehicles QR	Adjustments & eliminations QR	**Consolidated 2016** QR
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	Refined petroleum products QR	Technical inspection of vehicles QR	Adjustments & eliminations QR	**Consolidated 2015** QR
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 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.

	2016 QR	2015 QR
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	3,295,480	55,112,050
	61,979,297	91,138,228

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.

	2016 QR	2015 QR
Within one year	**149,879,275**	171,788,161

Capital commitments

	2016 QR	2015 QR
Capital commitments	**185,143,753**	386,885,485

Capital commitments for the year 2016 represents the construction of additional 12 petrol stations at an amount of QR 185,143,753 (2015: QR 386,885,485 related to construction of 18 petrol stations).

Contingent liabilities

	2016 QR	2015 QR
Bank guarantees	**4,961,278**	125,255
Letters of credit	**57,961,391**	1,200,397

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.

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	As previously reported	Adjustment	Restated balance as at 31 December 2015
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	As previously reported	Adjustment	Restated balance as at 31 December 2015
Revenue	13,228,031,455	(40,529,868)	13,187,501,587
General & administrative expenses	886,106,713	162,528,399	1,048,635,112

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.