وقود
WOQOD

2011 ANNUAL REPORT

ALWAYS AIMING HIGHER

Driving energy

www.woqod.com.qa

In The Name Of

Allah

The Most Gracious

The Most Merciful

His Highness
Sheikh Tamim Bin Hamad Al Thani
The Heir Apparent

His Highness
Sheikh Hamad Bin Khalifa Al Thani
Emir of the State of Qatar

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BOARD OF DIRECTORS

H.E. Mr. Abdullah Bin Hamad Al-Attiyah
Chairman of Administrative Control and Transparency Authority and WOQOD Chairman

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Chairman

2 **Mr. Mohammed Khalifa Turki Al-Sobai**
Vice-Chairman & Managing Director

3 **Mr. Hussain Mohammed Al-Ishaq**
Member - Board of Directors

4 **Mr. A-Rahman Z Saad Al-Shathri**
Member - Board of Directors

5 **Mr. Nasser Sultan N Al-Hemaidi**
Member - Board of Directors

6 **Mr. Mohammed A. Aziz S R Al-Saad**
Member - Board of Directors

7 **Sheikh Saoud Khalid H A Al-Thani**
Member - Board of Directors


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Introduction

Under the auspices of His Highness the Emir of Qatar, Sheikh Hamad bin Khalifa Al Thani and the direction of HE Abdullah bin Hamad Al Attiyah, Chairman of Administrative Control and Transparency Authority and WOQOD Chairman, Qatar Fuel (WOQOD) has made a great start and has a great future to come.

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 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 Doha International Airport; all to be served through a fleet of more than 350 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'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 Doha 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.

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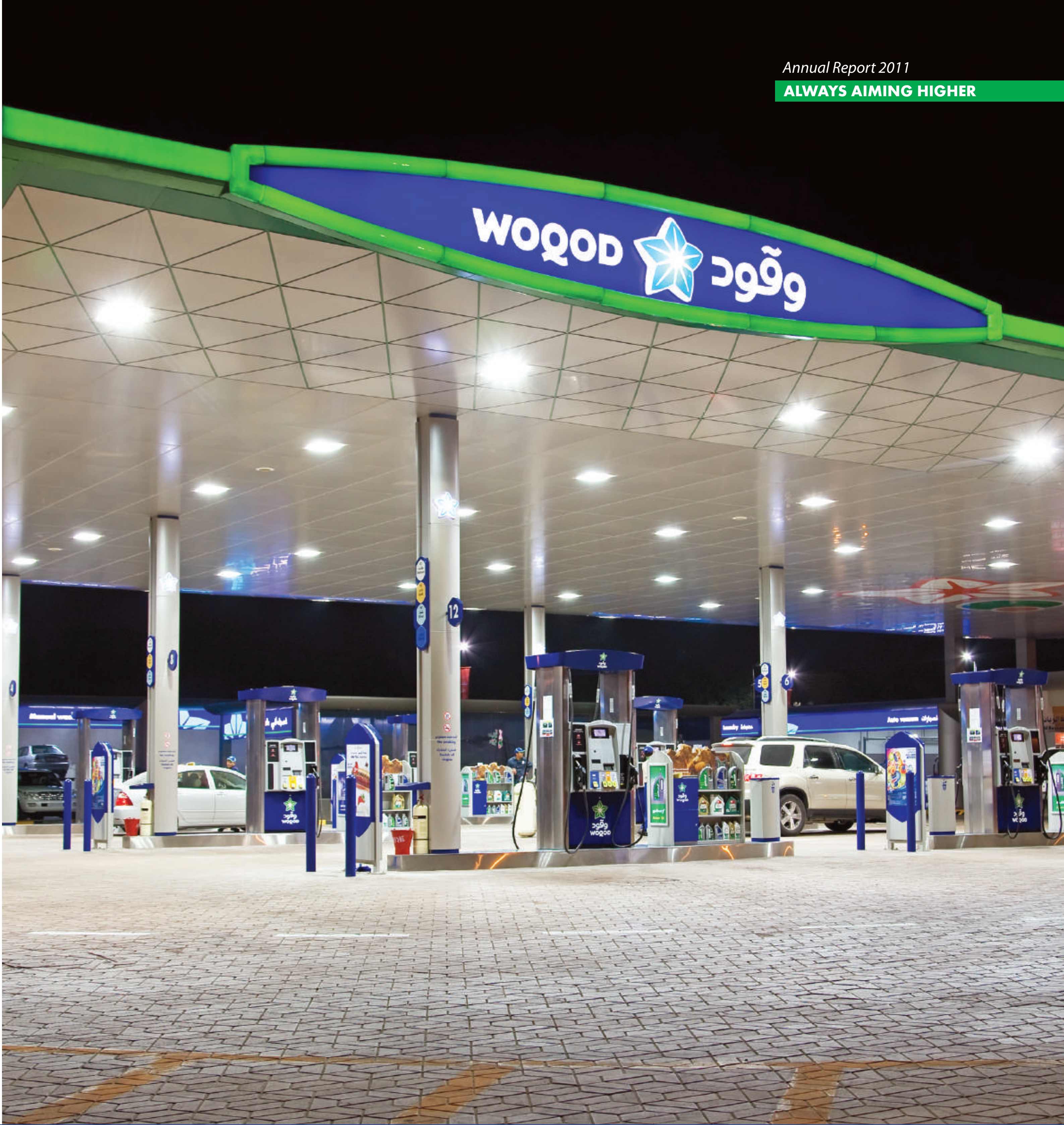

WOQOD وقود

DRIVEN BY SERVICE

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 will 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 end of 2015.
- Minimizing our impact on the environment will be achieved through the introduction of new technologies not yet seen in the region.

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.

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

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

OUR BRAND VALUES

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.

WOQOD QUALITY POLICY

We, at Qatar Fuel (WOQOD), are engaged in marketing, distribution and storage of fuel and related products within Qatar. The company plans to diversify its products and services and to expand its operations in the GCC and other countries.

In fulfilling our corporate vision and to earn the trust and confidence of our shareholders, we commit to provide consistently quality products and superior services through the use of best management concepts and state-of-the-art technologies.

We shall integrate highest professionalism through our WOQOD Brand values and quality considerations in every aspect of our operations by implementing and maintaining internationally recognized Quality Management System (QMS).

To continually improve the quality of our products and services and the effectiveness of our management system, we shall:

- Seek to know, understand and always meet the requirements of our partners through effective feedback mechanism.
- Comply with applicable laws and regulations and the requirements of the industry to which we belong.
- Establish strategic objectives and targets aimed at continually improving the efficiency of our operations and in meeting the stated and implied needs of our customers.
- Empower our employees in resolving problems and in maintaining customer focus and competence by providing them with appropriate training and support.
- Promote quality awareness in all functions and levels within the company and among our stakeholders.
- Review regularly our Quality Management System to ensure its continuing suitability.

We, Qatar Fuel (WOQOD) and affiliate companies, are committed to a role of environmental leadership in all aspects of our business.

We are committed to:

- Continually improve our environmental performance through our environmental objectives, targets and programmes
- Prevent Pollution and conserve our natural resources
- Comply with all environmental laws and regulations applicable to our operations
- Contribute and participate in our community's environmental activities.

We make this policy known to all to promote environmental awareness among our stakeholders in creating a better environment.

WOQOD LUBRICANTS
وقود
زيوت محركات

DRIVEN BY TECHNOLOGY

CHAIRMAN'S MESSAGE

His Excellency Mr. Abdullah Bin Hamad Al-Attiyah
Chairman of the Administrative Control and Transparency Authority
Chairman of the Board of Directors

Dear Shareholders,
Distinguished Guests,

Peace be upon you and God's mercy and blessings.

On behalf of my fellow board members and myself, I am honored to welcome you at this year's General Assembly Meeting and to present to you the Ninth Annual Report of the Board of Directors with a brief overview of the main achievements of Qatar Fuel for the fiscal year 2011.

The year 2011 has seen many regional and global developments, the most noticeable of which being the economic and financial changes occurring in major States, mainly the European Economic Community (EEC).

As for the GCC countries in general, and in Qatar in particular, we continued in 2011 drafting and implementing our strategic plans, and developing the work of our educational, health and social institutions, to ensure the welfare of both the citizens and residents of our beloved country. With the oil prices remaining at the expected levels, our financial resources grew higher, and so did the reserves of our public budgets, while well-planned foreign investments developed fast. Our national economy (GDP) continued to achieve unprecedented growth rates that placed Qatar among the fastest growing economies in the world. All this can only be credited to the wise visions and directives of our leaders, headed by HH the Emir, Sheikh Hamad Bin Khalifa Al Thani, and the Heir Apparent, Sheikh Tamim Ben Hamad Ben Khalifa Al Thani.

As to the achievements and financial performance of WOQOD in 2011, we pride ourselves with the continuation of the success and development that have been registered since its inception. I will gladly review the major achievements and financial performance records for the said year, and you will find them in more elaborate terms in WOQOD's annual report.

On the financial front, during the financial year ending on 31/12/2011, the company has managed to maintain positive net profit rates that exceeded 7.5% to reach QR 1,155 million compared to QR 1,074 million in 2010.

Despite the 20% increase in the paid-up capital of the company during 2010 through the distribution of bonus shares, the earning per share (EPS) for this year has increased by 7.5% to reach QR 27,77/share against QR 25,83 in 2010.

Dear Shareholders,
Honorable Guests,

Based on the results achieved for this period, and on our expectations for developments in the global economy and their impact on the local, regional and international levels during the upcoming period, and in view of the company's future plans and projects, the Board of Directors is pleased to include within the agenda of your esteemed Assembly a recommendation to distribute cash dividends of QR 415.8 million according to a rate of 100 % of the value of the paid-up nominal capital, i.e. 10 QR per share, in addition to 25 % bonus shares, i.e. 2.5 shares per 10 outstanding shares. This recommendation takes into account the company's current financial liquidity, and the future funding needs for capital projects that were adopted for the year 2012.

Acknowledgment and Appreciation

In conclusion, I would like to seize this opportunity to express our deepest thanks and appreciation to His Highness Sheikh Hamad Bin Khalifa Al Thani, the Emir of the State of Qatar, for his continued support and wise guidance of the comprehensive development process that the country is witnessing today.

Allow me as well to extend my sincere thanks and appreciation to His Highness Sheikh Tamim Bin Hamad Al Thani, the Heir Apparent, for his continued support for WOQOD, which had the greatest impact on the company's success and prosperity.

Our thanks go as well to our esteemed shareholders for their trust in and their loyalty to the company. We would like to renew our commitment to best serve their interests and promote their investments, through hard work and perseverance that we hope will lead to further success.

Finally, we appreciate the efforts of all the company employees and commend their dedication, loyalty and cooperation, which culminated in excellent financial results. We hope they will exert further efforts to rise above all challenges and achieve the company objectives for the benefit of all.

I wish you all success.

Peace be upon you and God's mercy and blessings.

Abdullah Bin Hamad Al-Attiyah
Chairman of WOQOD

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شفاف

SHAFAF

LPG Composite Cylinders أسطوانات البوتاجاز

DRIVEN BY INNOVATION

BOARD OF DIRECTOR'S REPORT

Mr. Mohamed Khalifa Turki Al-Sobai

Vice-Chairman
Managing Director

Dear Shareholders:

The Executive Management of Qatar Fuel has the pleasure of presenting to its esteemed shareholders its detailed report on the most important achievements of the company and its financial results of the fiscal year 2011, in addition to the company's current and future projects.

First: Progress of WOQOD's Main Projects:

Petrol Stations Network:

A- Operational Stations:

In 2011, WOQOD was able to open and operate four new petrol stations in the following locations:

1- Al-Shahaniya station

It opened in June 2011 under the auspices of the Vice-Chairman and Managing Director, and with the participation of some Board members and WOQOD employees. The station has the advantage of having a large area, and is equipped with special lanes for trailers requiring fueling services or visiting its convenience store. The station also provides all basic commodities and services required by the local community and any passers-by in this area.

Opening of Al Shahaniya petrol station

Opening of Wadi Al Banaat petrol station

2- Wadi Al Banaat Petrol station (North University)

The station that opened in August 2011 caters for all the basic services available in other WOQOD stations, including the SIDRA services, ATM services, and postal services. It also encompasses a modern technical inspection center (FAHES) to the best interest of the local community, as well as lanes allocated for fast food restaurants.

Modern dining lounge for the welfare of our customers

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On the Company Activities and Financial Results for the Year 2011 and Future Plans

3- Al Daayen petrol station

The station opened in August 2011 to serve the area of the North, and passers-by on Al Khor road and neighboring areas that are in need of such services, particularly the Sidra services, car wash centers, and Gas cylinder distribution services (SHAFAF). The station also offers basic services such as ATM, internet café, Qtel and others.

The opening of Al Daayen petrol station

4- Mekaines petrol station

It is located on Salwa road on the way to Abu Samra border area. The station was operated in November 2011 and is deemed one of the biggest stations to be inaugurated so far, with an area of more than 12,000 square kilometers, and a modern design that appeals to the needs of the customers and local community members.

Opening of Mekaines petrol station

The new station has the following characteristics:

a- Environmentally-friendly: In view of its special location and green spaces, as greenery covers the largest part of the station space and is thereby used as a promenade and a recreational area.

Green spaces contour the Mekaines station

Sidra Express service for trailers

b- Exceptional design to cater for customers' needs: large spaces inside the station away from the vehicle-crowded area were allocated for trailers and large buses wishing to fuel their tanks, visit the convenience store or obtain other services, sparing them the need to go to the center of the station. This was called the Sidra Express, and was allocated exclusive entrances and exits separate from those of smaller vehicles; it allows catering to that category of customers without causing further traffic congestion in the station's central areas.

c- Wide squares provide an area of recreation and leisure: Families heading to the land borders or the local community may rest and enjoy a meal in the special dining areas; a kids' area has also been added and fitted with the latest and safest playing equipment.

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Company's Activities and Performance in the Fiscal Year 2011 and Future Plans

Sidra garden

Kids playground fitted with the safest equipment

d- Wide dining spaces: the station incorporates a food court that can fit families and individuals looking for some rest or a warm meal.

Wide dining areas for customers

A- Petrol Stations Under Construction or soon to be completed:

The final touches are being placed on nine petrol stations in Lokhdeira, Sailiya, Muaither, North Mesaieed, West Mesaieed, Bufseila, Rawdat Al hamama, Abu Samra, and the Pearl. Some of these stations have neared completion while construction in others is going underway. Some of them are expected to open during the spring of 2012, while others will be ready to operate by the end of the year.

The signature of an Agreement with STS for the use of electronic cards

B- Plans for Other Stations:

These include Al Wakra, Al Rahiya, Al Zakhira, as well as the Maritime Station in the Doha Harbor (Al Farda). Engineering blueprints and designs have already been finalized and will be put for execution very soon to be completed during 2012.

C- Expansion Plans for Current Operating Stations:

The expansion plans encompass the following:

- Dukhan Station: plans to add new commercial buildings. The project has been completed.
- Al Hilal station: commercial spaces (to be leased), a prayer area available to the community, and a car washing center will be added.
- Muaither station: restaurants and other areas will be added.
- Al Daayen and Wadi Al Banaat stations: commercial spaces (to be leased) and car service workshops will be added.

Second: Projects Executed by Qatar Petroleum for WOQOD

1. 18-Inch Pipeline to Transport Petroleum Products

The pipeline is about 42 km in length and pumps all petroleum products from the petroleum refinery in

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Mesaieed to the Doha Depot.

The project's first phase is nearing completion. The pipeline provides the Doha Depot with fuel Jet-A1 only, directly from the refinery. Other works still need to be finalized in the Mesaieed refinery for the pipeline to become fully operational during the first quarter of 2012.

The emergency fueling stations are currently under construction and will have to be equipped before the pipeline becomes fully operational to anticipate any potential hindrances, This plan will include four stations for diesel fueling, two for Jet fueling and two for petrol fuelling, as well as two for bitumen fueling. as it has been mentioned before, all these fueling stations will be allocated for emergency services close to the refinery, in preparation for the inauguration and launching of the full operation in the new 18-inch pipeline, so as to avoid any technical or logistical problems that may occur at the beginning.

2. 16-inch Pipeline Project to Transport JET-A1 Fuel

The first phase of the project has been finalized. The project links the petroleum refinery to the New Doha International Airport and the current 12-inch pipeline has been connected to a new 16-inch pipeline. All work has been completed during the second quarter of 2011 in preparation for its future operation following the required technical testing.

The second phase is expected to complete the said 16-inch pipeline linking the refinery to the New Doha International Airport. Qatar Petroleum is to present the bid for the project expected to be completed and to start operating by early 2013 to coincide with the opening of the New Doha International Airport.

3. Supplying Ships with Water and Diesel at Ras Laffan:

This project aims at supplying ships docking at Ras Laffan with diesel and water. These services will be offered at the seven docks within the port. The project has been completed in June of 2011 and is currently operating at the service of our customers in Ras Laffan.

4. Facilitating the Supply of Diesel for Trucks at Ras Laffan:

When completed, the project is expected to supply trucks at Ras Laffan with diesel through the pipeline extended to the Ras Laffan Port to his end. Construction activities have come to an end, and the operational process shall begin after an agreement is reached on all marketing and pricing issues between Qatar Fuel, who will be operating and running the project, and Qatar Petroleum, currently entrusted with implementing the project. The supply is expected to commence in 2012.

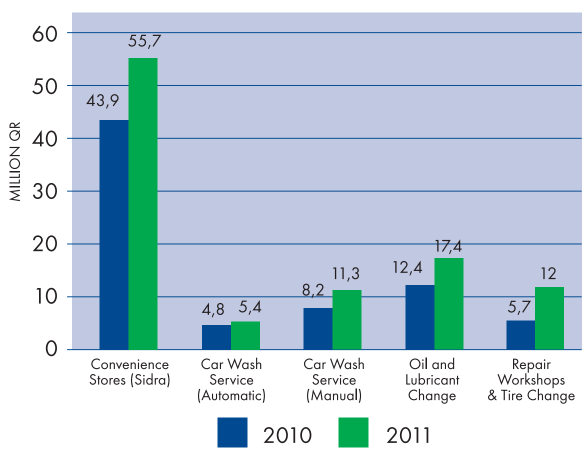
Third: Marketing Activities

1- Retail Activities

Retail activities of all kind (except for petroleum products) have registered an excellent growth of 47% for some activities in 2011 in comparison with 2010.

The following table shows the growth rates in by these activities during 2011.

WOQOD SALES IN 2011



2- Bitumen

Bitumen sales in 2011 have increased by 13%, 7.5% of which came from the sales of bitumen 60/70 while enhanced bitumen (polymer) sales increases seven-fold when compared to 2010.

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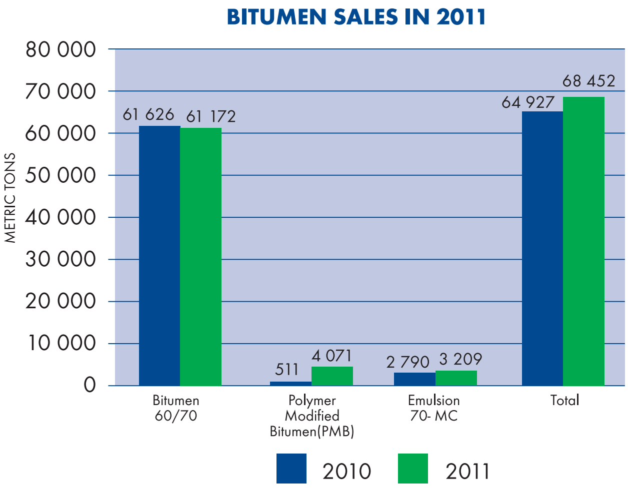
Use of polymer in Doha main streets

The reason behind this increase can be attributed to the rise in the demand by the Public Works Authority in main roads and intersections maintenance projects. The Public Works Authority is expected to adopt the Qatari standards for enhanced bitumen (QCS) which will considerably push the local demand on this product.

The following table shows the sales of Bitumen:



It is to note that Qatar Fuel is facing a strong competition on the local market from local distributors offering products that are of poor quality and do not meet global standards. Yet, WOQOD persists in offering this service in support of the national economy and in contribution to Qatar's construction boom.

3- Lubricants:

WOQOD's quality engine oils are in high demand on both the local and regional markets. In this context, agreements were signed in 2011 with authorized distributors in Kuwait and Jordan, as well as Iraq and the UAE. WOQOD's lubricant sales in Qatar have grown in 2011 by over 139% against 2010; while ship lubricant sales have registered a 70% increase in 2011 against 2010.

WOQOD continued the studies and designs for a lube oil blending plant that will cater for both the local and the foreign market demand, and is currently examining the proper location before launching the manufacturing operation.

WOQOD Oils – International Standards

WOQOD was also keen on maintaining direct contact with its authorized agents with whom it had entered into distribution agreements in the neighboring countries, and held a distributors' workshop in its headquarters in Doha to discuss relevant matters, and allow them to share their views and suggestions.

WOQOD's meeting with its authorized distributors from Arab countries

4- Butane Gas (LPG):

Gas sales have witnessed a remarkable growth in 2011 exceeding 11% compared to the previous year. Sales have reached 89000 tons compared to 80000 tons in 2010.

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A- Butane Gas Bulk sales:

Butane gas sales rose by 17% in 2011 against 2010, with the quantities exceeding 29.4 metric tons, and were distributed as follows:

Butane Gas Bulk sales (metric ton)

Category	2011	2010	Growth rate %
Residential sector consumption	616	628	-2%
Commercial sector consumption	19.740	14.660	35%
Industrial sector consumption	9.024	9.908	-9%
Total	**29.380**	**25.196**	**17%**

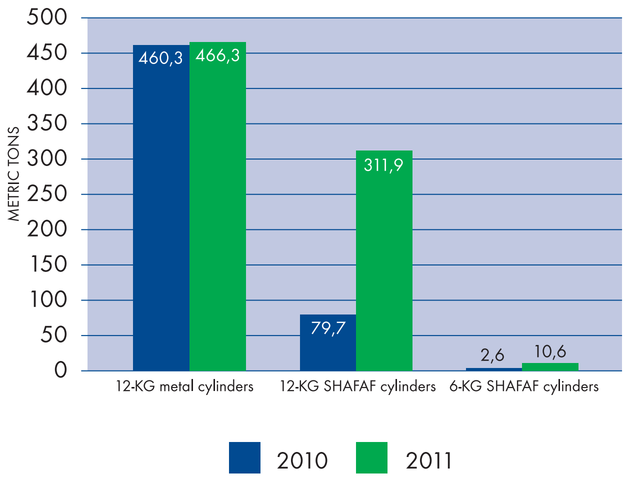
This table shows a 9% decline in the industrial sector's consumption of Butane gas and a 2% decline in that of the residential sector. Only the Commercial sector's consumption increases by 35%. The industrial sector's consumption decline can be ascribed to the completion of some local projects relying on Butane gas as their source of energy. The sales of this sector are projected to rise later on in view of new projects to be launched on the local market.

B- Butane Gas cylinders

2011 registered a slight growth of only 2% in the sales of cylinders of all types. Although one year had passed since the marketing plan for the new product SHAFAF had been launched a year ago, noting that market sales started in late 2009, the sales of metal cylinders also registered a 1% increase and did not drop against the sales of SHAFAF. In this context, WOQOD is finalizing a plan to replace metal cylinders with SHAFAF, to be implemented smoothly so as not to disturb the local market. It will be similar to WOQOD's policy to replace the 48-kilogram metal cylinders. When adopted, this policy is expected to gradually limit the use of metal cylinders until they are totally replaced by SHAFAF.

In terms of the sales of cylinders of all types, they are broken down in the following table:

SALES OF BUTANE GAS CYLINDERS



C- Natural Gas

The Small and Medium Scale Industrial Area (SMSIA) has completed the construction of 76 kilometers of natural gas pipelines in the industrial area. The network was tested by operating it for experimental purposes. It was also equipped with Metering and Regulating Stations (MRS) that are mounted from the main natural gas supply line. These stations control the gas pumping capacity, and measure the consumed quantity, temperature and other technical specifications, by relying on a remote control system using smart chips (SIMS).

In the first half of 2011, and in coordination with Qatar Petroleum, Qatar Fuel will undertake supply and management activities in the industrial area at first and will later on expand its coverage to other regions.

Fourth: Assets and Real Estate:

A- WOQOD Tower:

The final touches to the project were made, and the largest part of the floors allocated to the company offices were furnished, while other stories were leased. WOQOD is expected to move its offices to the Tower at the beginning of the second quarter of 2012. The Tower was equipped with the latest safety and security systems, and sufficient parking lots were allocated for customers.

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Company's Activities and Performance in the Fiscal Year 2011 and Future Plans


Staff offices have already been furnished


WOQOD Tower in Al Dafna area

B- Investments:

WOQOD holds founding shares in both Qatar Gas Transportation Company (Nakilat) and Vodafone. In addition, WOQOD has an investment portfolio that is managed locally and according to a well thought out strategy.

Fifth: WOQOD's Subsidiaries

1- Q-Jet

Q-Jet is going ahead with its logistical, technical and administrative preparations for the opening of the New Doha International Airport expected to attract a multitude of regional and international airlines, and a growing number of modern airplanes that will be part of the Qatar Airways fleet. In the near future, a quantum leap will be made in the jet fuel supply system in the New Doha International Airport where the use of tanks in the transport of jet fuels will be replaced by a new 16-inch supply pipeline that will connect the refinery in Mesaieed to the New Doha International Airport through an underground network, so as to ensure the best safety and security standards and minimize any accident or leakage risks.


Preparations for the inauguration of the New Doha International Airport

FAHES فاحص

2- WOQOD Vehicles Inspection (FAHES):

During 2011, FAHES continued to develop and modernize the technical inspection process in both quantity and quality. The number of inspected cars has exceeded 407,537 cars against 366,537 in 2010, i.e. with an 11.3 % increase from the previous year. The company HQ received 58% of the total inspected cars, while the remaining 42% were the share of other inspection stations, both mobile and secondary (4 mobile stations are currently operational).

In addition to the increase in the turnout of inspected cars, the company went ahead with its plans to update and simplify the inspection procedures through the registration stop shop system which has greatly helped reduce both the burden, the time and the efforts put into the inspection operation.

As for the new centers currently under construction, progress is underway in two technical inspection centers: in the Wadi Al Banaat station (North University), considered to be the largest inspection center in Qatar, and the Mesaimeer station to the East, with the two projects expected to become operational in the second quarter of 2012.

Furthermore, engineering designs and blueprints have been finalized for the opening of a new technical inspection center in Al Wakra where an integrated station for both fuelling and technical inspection (FAHES) will launch its operations.

When completed, these stations will be offering the best technical inspection services to all sorts of vehicles. In this context, an agreement has been reached with the French company Actia Muller to supply technical inspection equipment, devices and relevant software.

Signing an agreement with Actia Muller

Registration stop shops minimize both the time & efforts

3- WOQOD for Maritime Transport (WOQOD MARINE)

WOQOD for Maritime Transport includes (6) ships with a total operational capacity exceeding 50,000 tons. The fleet transports petroleum products to and from local and international ports, and offers logistical services for WOQOD, the parent company, as well as other commercial services.

One of WOQOD's ships

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The company's 2011 achievements could be summed up as follows:

1. WOQOD Marine has taken over the management of all logistical, operational and technical aspects of its fleet as well as all trade agreements signed with maritime companies as of May 1, 2011. These were previously managed by the Maritime Management Company in Dubai, but fall today under WOQOD Marine's control.

2. Marine trade agreements signed with new customers of international maritime companies such as Kim Oil, Valencia, Aspire Marine, to transport petroleum products to and from the ports of India, neighboring countries, and Southeastern Asia via the two ships (Sidra Ras Laffan and Sidra Mesaieed). An agreement has been reached with ENOC, UAE, and Black Land of Liberia to lease Sidra Qatar and Sidra Wajba to transport bitumen to the ports of Bahrain and the UAE.

3. WOQOD Marine received The International Safety Management Certificate (ISM) and a Documentation of Compliance (DOC) from Lloyd's as a ship management company. All its fleet has also received the Safety Management Certificate (SMC) which allows it to carry out local and international maritime operations.

Compliance with all local and international rules and regulations as well as international safety requirements issued by maritime organizations like the IMO, the OCIMF and the requirements of maritime classification authorities like Lloyd's, CCS, and NKK, always ensures that our ships meet global safety standards and has previously prevented any emergency difficulties or other significant problems.

4- WOQOD International

WOQOD International 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, where the project is expected to be completed by the end of 2012.

Sixth: Information Technology Department

In 2011, the Information Technology Department implemented several projects aiming at raising the level of performance in the various departments at the company. It also launched a project for the development of the FAHES technical inspection company according to the approved plan and in cooperation with the French company Actia Muller, a project which is expected to end in the second half of 2012. As for its other activities, they could be summed up as follows:

- Completion of the infrastructure work plans for the WOQOD tower in Al Dafna. All preparations shall be finalized before the Tower is inaugurated in the second quarter of 2012
- Completing the Retail sales system
- Completing the Telemetry system in cooperation with the Polish company AUIT
- Implementing the new central monitoring system and setting up smart cameras in petrol stations.
- Launching the comprehensive electronic insurance project in cooperation with companies from the local market

Seventh: Administrative Affairs

During 2011, WOQOD continued to review and develop its organizational structures, including the salary structuring. It has also implemented fundamental changes to the policies and procedures related to administrative affairs, whereby the e-government system replaced a large part of the paper work. For instance, overtime logs, staff leaves and many of the other HR related matters are followed up on electronically. The company also saw it best to upgrade the accommodation and services provided to station workers to offer them a better health and entertainment atmosphere as they deserve. The company also actively participated in national events and cultural and sports events as well as other activities that can be summed up as follows:

1- Training:

During 2011, 336 training sessions have been organized and were attended by over 2408 retail employees of which 286 new recruits. All these training sessions aimed at teaching employees new skills in high quality customer service, and introducing new recruits to the nature of the tasks they are entrusted with. The sessions were focused on areas related to leadership skills, basic food hygiene and communication skills as well as other retail-related matters.

Staff training session on retail services

2- Social Responsibility:

Social responsibility is of great importance for the management of WOQOD, whereby the company is keen on actively participating in local community activities. Besides contributing to the Sports and Cultural Activities Fund, and allocating a share of its net annual profits to this end, it pulled tangible efforts by sponsoring a number of national events, mainly as a Platinum Sponsor to the National Day. These activities are as follows:

The Civil Defense Exhibition

WOQOD took part in the annual Civil defense exhibition held under the auspices of HH the Heir Apparent Sheikh Tamim Ben Hamad Ben Khalifa Al Thani in April 2011.

During the exhibition, WOQOD displayed some of its products like the new gas cylinder SHAFAF, as well as other equipment and devices used in the operational process and meeting the highest public safety and security standards for its users.

WOQOD participating in the 2011 Civil Defense Exhibition

Environment Day

WOQOD took part in Environment day activities, and launched awareness campaigns on the environmental risks to the planet and the local community. It was also present in the Environment Day exhibition to explain to visitors WOQOD's policy for environment protection and its keenness on ensuring that all its products and services are environmentally friendly and help preserve the local community from any harmful environmental effects. WOQOD also distributed a number of trees to school students and visitors of its aisle.

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Company's Activities and Performance in the Fiscal Year 2011 and Future Plans


School students receive trees


Family Day for WOQOD employees

National Employment Day:
As it had done for the past years, WOQOD participated in the National Employment Day in 2011 by having its own booth where it welcomed a number of college students looking for employment opportunities, especially Qataris, in line with the Qatarization policy to attract young and qualified Qataris to hold administrative positions in the company. WOQOD also establishes contact with local universities to introduce Qatari graduates to the high administrative positions available to them in the future.


WOQOD participating in the 2011 National Employment Day

Employees Family Day
Faithful to the annual tradition of holding an annual entertainment event for its staff and their families, during which gifts and awards are offered to children and participants, WOQOD held a family day in February of 2011 in Sealine complex, and it was attended by a big number of employees and their families.

Eighth: Operations

The Operations Department increased its transportation fleet and introduced some positive changes to its operations in 2011. The transport fleet was brought up to 375 tanks after the addition of 130 new vehicles for 2011. The company also promoted the policy of tank leasing for business institutions, whereby 130 new 3000-liter capacity tanks were allocated for leasing purposes during this year.

As to the sales of Petroleum Products for 2011, they increased by over 6.4% in comparison with 2010. The sales of regular gasoline and fuel jet grew over 21.8% and 18% respectively against 2010.

Diesel and super gasoline sales registered a slight drop of 2.3% and 1.7% respectively compared to 2010.

The following table illustrates the sales figures of WOQOD's petroleum products in 2011:

Product Type	**Quantity of Sales in 2010** (million liter)	**Quantity of Sales in 2009** (million liter)	**% growth**
Regular Gasoline	679.3	557.7	21.8%
Super Gasoline	908.8	924.2	-1.7%
Diesel	2067.4	2115.1	-2.3%
Fuel Jet A1	1713.8	1476.2	16%
Total	**5369.3**	**5073.2**	**5.8%**

BOARD OF DIRECTOR'S REPORT
Company's Activities and Performance in the Fiscal Year 2011 and Future Plans

As for the other services provided by the Operations Department, such as transportation and rental of tanks, they have also witnessed a significant growth in 2010. Whereby the number of rented tanks of various sizes (ranging between 2,500 to 50,000 liters) increased to 1,161 tanks compared to 935 tanks in 2009, i.e. an increase of more than 24% .

Ninth: Quality Management System (QMS)

WOQOD pursued the update and revision of its policy and procedure regulations to be adopted in line with the comprehensive quality standards, to offer the best quality products or services. In 2011, the ISO 9001-2008 certificate regulations and procedures were reviewed, and the certification company Lloyd's renewed the certificate for the next period after WOQOD was found to have met the certification requirements.

WOQOD was also able to meet the requirements for the ISO 14001 certificate on environmental management.

Tenth: Financial Results

In 2011, Qatar Fuel achieved excellent net profits that exceeded 1,155 million Qatari Riyals (after excluding minority rights), that is an increase of 7.5 million Qatari Riyals or 13% compared to 2010.

Furthermore, the company's assets rose by 13 % exceeding 6,958 million Qatari Riyals, while equity reached 4,813 million Riyals, up 19.7 % from.

Earnings per share increased to 27,77 Riyals per share compared to 25,83 Riyals last year, an increase of 7.5 %.

In conclusion, WOQOD would like to extend its deepest thanks and gratitude to His Highness Sheikh Hamad Bin Khalifa Al Thani, the Emir of the State of Qatar, and the Heir Apparent, Sheikh Tamim Bin Hamad Al Thani, for their continued support for WOQOD. We also would like to thank His Excellency Mr. Abdullah Bin Hamad Al Attiyah, Chairman of the Administrative Control and Transparency Authority and Chairman of WOQOD for his wise guidance and governance.

Our thanks also go to all governmental and official bodies, and public and private institutions and all the company employees and staff for their concerted efforts to serve the company and contribute in its development.

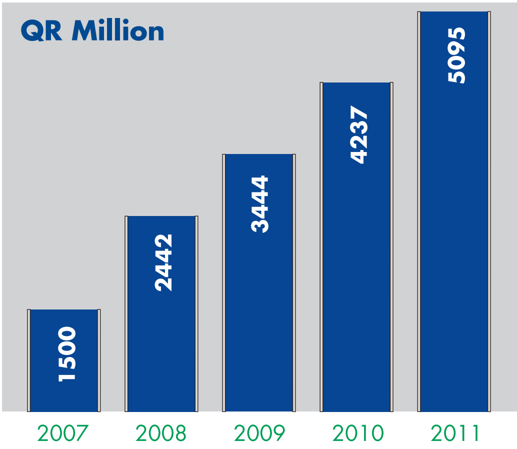
We promise you all, especially our shareholders, to achieve more positive results in the future.

Mohammed Turki Al-Sobai
Vice - Chairman & Managing Director

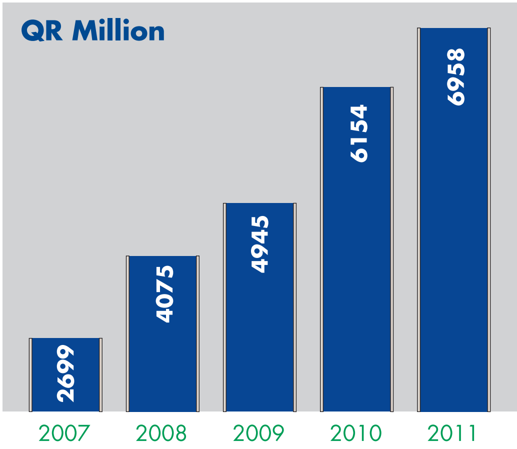
BITUMEN

DRIVEN BY EXPERTISE

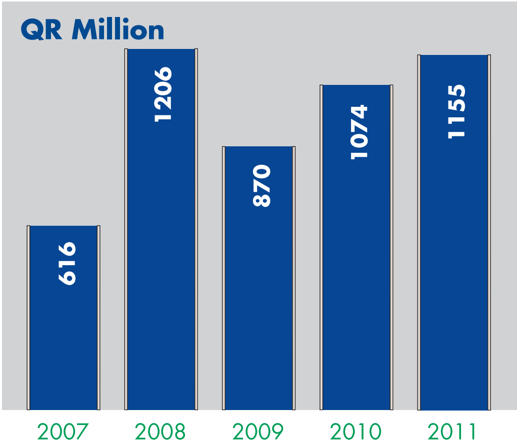
FINANCIAL HIGHLIGHTS *



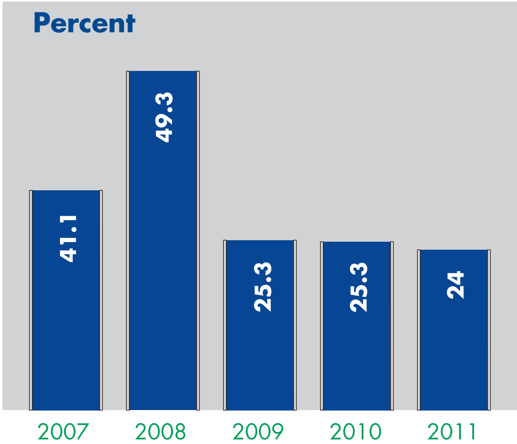
Shareholder's Equity



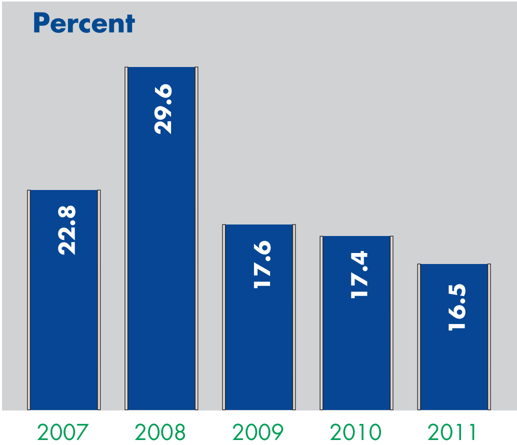
Total Assets



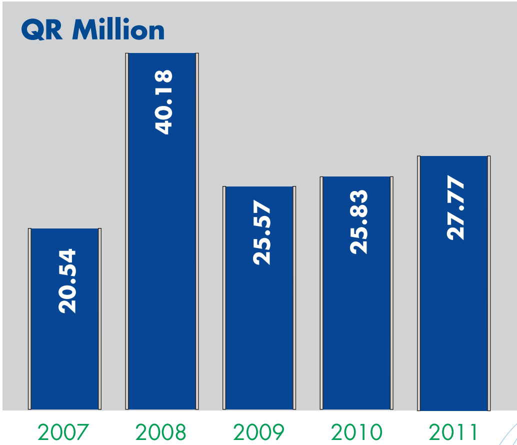
Net Profit



Return on Equity %



Return on Assets %



Earning Per Share

INDEPENDENT AUDITORS' REPORT

To The Shareholders
Qatar Fuel Company Q.S.C. ("WOQOD")
Doha
State of Qatar

Report on the consolidated financial statements

We have audited the accompanying consolidated financial statements of Qatar Fuel Company Q.S.C. ("WOQOD" or "the Company") and its subsidiaries (together referred to as "the Group"), which comprise the consolidated statement of financial position as at 31 December 2011, the consolidated income statement and statements of comprehensive income, changes in equity and cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

Board of Directors' responsibility for the Consolidated Financial Statements

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

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on our judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the Group's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate for the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of 31 December 2011 and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards.

Report on other legal and regulatory requirements

We have obtained all the information and explanation which we considered necessary for the purpose of our audit. The Group has maintained proper accounting records and the consolidated financial statements are in agreement therewith, and we confirm that a physical count for the inventory at year-end was carried out as per the established principles. We reviewed the report of the Board of Directors and confirm that the financial information contained therein is in agreement with the books and records of the Group. We are not aware of any violations of the provisions of Qatar Commercial Companies Law No 5 of 2002, or the terms of Articles of Association having occurred during the year which might have had a material effect on the business of the Company or its consolidated financial position as of 31 December 2011.

26 February 2012	Gopal Balasubramaniam
Doha	KPMG
State of Qatar	Qatar Auditors' Registry Number 251

BULK LPG

DRIVEN BY ENERGY

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As of 31 December 2011

	Note	31 December 2011	31 December 2010
Assets			
Property, plant and equipment	6	1,645,464,974	1,388,591,418
Available-for-sale financial assets	7	374,000,778	225,004,874
Goodwill	8	132,935,132	132,935,132
Total non-current assets		**2,152,400,884**	1,746,531,424
Inventories	9	250,216,533	197,991,082
Due from related parties	10.a	61,610,732	61,225,057
Trade receivables	11	1,644,559,918	1,176,825,384
Prepayments and other receivables	12	100,257,899	67,601,023
Cash and bank balances	13	2,749,324,581	2,903,458,119
Total current assets		**4,805,969,663**	4,407,100,665
Total assets		**6,958,370,547**	6,153,632,089
Equity and liabilities			
Equity			
Share capital	14	415,800,000	346,500,000
Legal reserve	15	382,831,792	382,831,792
General reserve		30,078,234	30,078,234
Fair value reserve		49,755,297	63,881,291
Retained earnings		3,934,474,269	3,195,651,398
Total equity attributable to the Shareholders of the Company		**4,812,939,592**	4,018,942,715
Non-controlling interest		**282,533,354**	218,101,278
		5,095,472,946	4,237,043,993
Liabilities			
Due to a related party	10.b	-	33,818,533
Provisions	16	-	100,000,000
Employees' end of service benefits		43,985,179	33,361,611
Total non-current liabilities		**43,985,179**	167,180,144
Payables and accruals	17	288,848,542	173,993,911
Due to a related party	10.b	1,530,063,880	1,575,414,041
Total current liabilities		**1,818,912,422**	1,749,407,952
Total liabilities		**1,862,897,601**	1,916,588,096
Total equity and liabilities		**6,958,370,547**	6,153,632,089

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

H.E. Abdulla Bin Hamad Al Attiyah
Chairman of Administrative Control and Transparency Authority and WOQOD Chairman

Mr. Mohamed Turki Al-Sobai
Vice Chairman and Managing Director

Mr. Khalil Hassan Makki
Finance Manager

The attached notes from 1 to 29 form an integral part of these consolidated financial statements.

CONSOLIDATED INCOME STATEMENT

For the year ended 31 December 2011

	Note	For the year ended 31 December 2011	For the year ended 31 December 2010
Revenue	18	10,504,360,089	7,662,813,981
Cost of sales		(8,832,337,668)	(6,042,511,358)
Gross profit		**1,672,022,421**	1,620,302,623
Other income	19	168,346,303	196,188,574
General and administrative expenses	20	(630,628,424)	(544,698,524)
Reversal of provision / (provision) for litigation	16	100,000,000	(100,000,000)
Impairment losses	21	(20,685,353)	(2,826,143)
Profit for the year		**1,289,054,947**	1,168,966,530
Attributable to:			
Shareholders of the Company		1,154,622,871	1,074,159,882
Non-controlling interest		134,432,076	94,806,648
		1,289,054,947	1,168,966,530
Basic and diluted earnings per share	22	**27.77**	25.83

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2011

	Note	For the year ended 31 December 2011	For the year ended 31 December 2010
Profit for the year		**1,289,054,947**	1,168,966,530
Other comprehensive income			
Net change in fair value of available-for-sale financial assets	7	(14,125,994)	(11,533,429)
Total comprehensive income for the year		**1,274,928,953**	1,157,433,101
Attributable to:			
Shareholders of the Company		1,140,496,877	1,062,626,453
Non-controlling interest		134,432,076	94,806,648
		1,274,928,953	1,157,433,101

The attached notes from 1 to 29 form an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2010

	Equity attributable to Shareholders of the Company							
	Share capital	Legal reserve	General reserve	Fair value reserve	Retained earnings	Total	Non-controlling interest	Total equity
Balance at 1 January 2010	315,000,000	307,596,682	30,078,234	75,414,720	2,467,991,516	3,196,081,152	172,291,950	3,368,373,102
Prior year adjustment	-	75,235,110	-	-	-	75,235,110	-	75,235,110
Restated balance at 1 January 2010	315,000,000	382,831,792	30,078,234	75,414,720	2,467,991,516	3,271,316,262	172,291,950	3,443,608,212
Total comprehensive income for the year								
Profit for the year	-	-	-	-	1,074,159,882	1,074,159,882	94,806,648	1,168,966,530
Net change in fair value of available-for-sale financial assets	-	-	-	(11,533,429)	-	(11,533,429)	-	(11,533,429)
Total comprehensive income for the year	-	-	-	(11,533,429)	1,074,159,882	1,062,626,453	94,806,648	1,157,433,101
Transactions with owners of the Company recognized directly in equity								
Issue of bonus shares (Note 14)	31,500,000	-	-	-	(31,500,000)	-	-	-
Cash dividend paid for 2009	-	-	-	-	(315,000,000)	(315,000,000)	-	(315,000,000)
Dilution of non-controlling interest	-	-	-	-	-	-	1,002,680	1,002,680
Dividend paid to non-controlling interest by a subsidiary	-	-	-	-	-	-	(50,000,000)	(50,000,000)
Total transactions with owners of the Company	31,500,000	-	-	-	(346,500,000)	(315,000,000)	(48,997,320)	(363,997,320)
Balance at 31 December 2010	346,500,000	382,831,792	30,078,234	63,881,291	3,195,651,398	4,018,942,715	218,101,278	4,237,043,993

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2011

	Equity attributable to Shareholders of the Company							
	Share capital	**Legal Reserve**	**General reserve**	**Fair value reserve**	**Retained earnings**	**Total**	**Non-controlling interest**	**Total equity**
Balance at 1 January 2011	346,500,000	382,831,792	30,078,234	63,881,291	3,195,651,398	4,018,942,715	218,101,278	4,237,043,993
Total comprehensive income for the year								
Profit for the year	-	-	-	-	1,154,622,871	1,154,622,871	134,432,076	1,289,054,947
Net change in value of available-for-sale financial assets	-	-	-	(14,125,994)	-	(14,125,994)	-	(14,125,994)
Total comprehensive income for the year	**-**	**-**	**-**	**(14,125,994)**	**1,154,622,871**	**1,140,496,877**	**134,432,076**	**1,274,928,953**
Transactions with owners of the Company recognized directly in equity								
Issue of bonus shares (Note 14)	69,300,000	-	-	-	(69,300,000)	-	-	-
Cash dividends paid for 2010 (Note 23)	-	-	-	-	(346,500,000)	(346,500,000)	(70,000,000)	(416,500,000)
Total contribution and distributions to the owners of the Company	**69,300,000**	**-**	**-**	**-**	**(415,800,000)**	**(346,500,000)**	**(70,000,000)**	**(416,500,000)**
Balance at 31 December 2011	**415,800,000**	**382,831,792**	**30,078,234**	**49,755,297**	**3,934,474,269**	**4,812,939,592**	**282,533,354**	**5,095,472,946**

The attached notes from 1 to 29 form an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 December 2011

	For the year ended 31 December 2011	For the year ended 31 December 2010
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit for the year	1,289,054,947	1,168,966,530
Adjustments for:		
Depreciation	111,976,324	89,370,198
Amortization of intangible assets	-	553,749
Impairment loss on other intangible assets	-	1,661,247
Impairment loss on property, plant and equipment	16,542,893	-
Impairment loss on available-for-sale financial assets	4,142,460	-
Impairment loss on trade of receivables	561,025	41,713,613
(Reversal of provision) / provision for litigations	(100,000,000)	100,000,000
Reversal of provision for impairment of trade receivables	(41,539,511)	(112,144,880)
Loss from dilution of non-controlling interest	-	1,002,680
Loss on sale of property, plant and equipment	-	1,051,053
Provision for employees' end of service benefits	10,623,568	9,905,730
	1,291,361,706	1,302,079,920
Changes in:		
Trade receivables	(426,756,048)	94,869,057
Prepayments and other receivables	(32,656,876)	8,511,853
Inventories	(52,225,451)	(9,837,135)
Due from related parties	(385,675)	832,687
Due to a related party	(79,168,694)	403,857,103
Payable and accruals	114,854,631	(98,153,836)
NET CASH FROM OPERATING ACTIVITIES	**815,023,593**	1,702,159,649
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of property, plant and equipment	(385,392,773)	(210,106,047)
Acquisition of available-for-sale financial assets	(167,264,358)	(87,935,583)
NET CASH (USED) IN INVESTING ACTIVITIES	**(552,657,131)**	(298,041,630)
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividends paid	(346,500,000)	(315,000,000)
Dividends paid to non-controlling interest by a subsidiary	(70,000,000)	(50,000,000)
NET CASH (USED IN) FINANCING ACTIVITIES	**(416,500,000)**	(365,000,000)
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS DURING THE YEAR	**(154,133,538)**	1,039,118,019
Cash and cash equivalents at 1 January	2,903,458,119	1,864,340,100
CASH AND CASH EQUIVALENTS AT 31 DECEMBER	**2,749,324,581**	2,903,458,119

The attached notes from 1 to 29 form an integral part of these consolidated financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2011

1. LEGAL STATUS AND GENERAL INFORMATION

Qatar Fuel Q.S.C ("WOQOD") ("the Company" or "the Parent") is a Qatari Shareholding Company formed in accordance with the Emiri Decree No 5 of 2002 on 10 February 2002 under the commercial registration No. 24872.

The consolidated financial statements of the Company comprise the Company and its subsidiaries (together referred as the "Group" and individually as "Group entities"). The principal activities of the Group are the sale and distribution of refined petroleum products produced by and transferred from Qatar Petroleum, vehicle inspection services and marine transport. The Group operates only in the State of Qatar through its lines of business. The Group's major subsidiaries included in these consolidated financial statements are:

Name of the company	Country of Incorporation	Ownership percentage
Qatar Jet Fuel Company Q.S.C.	Qatar	60%
WOQOD Vehicle Inspection Company ("FAHES") S.P.C.	Qatar	100%
WOQOD Marine Services Company S.P.C.	Qatar	100%
WOQOD International Company S.P.C.	Qatar	100%
WOQOD Kingdom Company S.P.C.	Kingdom of Saudi Arabia	100%

2. BASIS OF PREPARATION

a) Statement of compliance

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board (IASB).

These consolidated financial statements of the Group were authorized for issue in accordance with a resolution of the Board of Directors on 26 February 2012.

b) Basis of measurement

The consolidated financial statements have been prepared on the historical cost basis except for available-for-sale financial assets which are 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 otherwise indicated.

d) Use of estimates and judgments

The preparation of financial statements in conformity with IFRS requires management to make 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 accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.
In particular, information about significant areas of estimation uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements is included in Note 28.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended 31 December 2011

In particular, information about assumptions and estimation uncertainties that could have a significant risk and result in a material adjustment in the next financial year are included in Notes 25 and 26 –Contingencies and Commitments.

3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently all periods presented in these consolidated financial statements, and have been applied consistently by all Group entities.

(a) Basis of consolidation

(i) Subsidiaries

Subsidiaries are those entities controlled by the Group. Control exists when the Group has the power, directly or indirectly, to govern the financial and operating policies of an entity so as to obtain benefits from its activities. The existence and effect of potential voting rights that are currently exercisable or convertible, including potential voting rights held by another entity, are considered when assessing whether an entity is controlled. The financial statements of the subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases. The financial statements of subsidiaries are prepared for the same reporting year as the Parent using the same accounting policies.

(ii) Loss of control

On the loss of control, the Group derecognizes the assets and liabilities of the subsidiary, any non-controlling interests and the other components of equity related to the subsidiary. Any surplus or deficit arising on the loss of control is recognized in profit or loss. If the Group retains any interest in the previous subsidiary, then such interest is measured at fair value at the date that control is lost. Subsequently it is accounted for as an equity-accounted investee or as available-for-sale financial assets depending on the level of influence retained.

(iii) Non-controlling interests

Non-controlling interests represent the portion of profit or loss and net assets not held by the Group and are presented separately in the consolidated income statement and within equity in the consolidated statement of financial position, separately from Parent's equity. Losses applicable to the non-controlling interest in excess of the non-controlling interest are allocated to the non-controlling interest even if this results in a deficit balance to the non-controlling interest.

(iv) Transactions eliminated on consolidation

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

(b) Foreign currency

Transactions in foreign currencies are translated to the functional currency of the Company at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated to the functional currency at the exchange rate at that date. The foreign currency gain or loss on monetary items is the difference between amortized cost in the functional currency at the beginning of the year, adjusted for effective interest and payments during the year, and the amortized cost in foreign currency translated at the exchange rate at the end of the year.

Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are retranslated to the functional currency at the exchange rate at the date that the fair value was determined. Non-monetary items in a foreign currency that are measured in terms of historical cost are translated using the exchange rate at the date of the transaction. Foreign currency differences arising on retranslation are recognised in profit or loss, except for differences arising on the retranslation of available-for-sale financial assets, or qualifying cash flow hedges, if any, which are recognized in other comprehensive income.

(c) Financial instruments

(i) Non-derivative financial assets

The Group initially recognizes loans and receivables and deposits on the date that they are originated. All other financial assets are recognized initially on the trade date, which is the date that the Group becomes a party to the contractual provisions of the instrument.

The Group derecognizes 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 on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred. Any interest in transferred financial assets that is created or retained by the Group is recognized as a separate asset or liability.

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group has a legal right to offset the amounts and intends either to settle on a net basis or to realize the asset and settle the liability simultaneously. The Group classifies non-derivative financial assets into the following categories: loans and receivables and available-for-sale financial assets.

Loans and receivables

Loans and receivables are financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are recognized initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, loans and receivables are measured at amortized cost using the effective interest method, less any impairment losses.

Loans and receivables comprise cash and cash equivalents, and trade and other receivables.

Cash and cash equivalents comprise cash balances and call deposits with original maturities of three months or less from the acquisition date that are subject to an insignificant risk of changes in their fair value, and are used by the Group in the management of its short-term commitments

Trade receivables are recognized initially at fair value and subsequently measured at amortized cost using the effective interest method, less provision for impairment. A provision for impairment of trade receivables is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of the receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganization, and default or delinquency in payments are considered indicators that the trade receivable is impaired. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account, and the amount of the loss is recognized in the income statement. When a trade receivable is uncollectible, it is

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended 31 December 2011

written off against the allowance account for trade receivables. Subsequent recoveries of amounts previously written off are charged to the income statement.

Available-for-sale financial assets

Available-for-sale financial assets are non-derivative financial assets that are designated as available-for-sale or are not classified in any of the above categories of financial assets. Subsequent to initial recognition, they are measured at fair value and changes therein, other than impairment losses are recognised in other comprehensive income and presented in the fair value reserve in equity. When an investment is derecognised, the gain or loss accumulated in equity is reclassified to profit or loss.

Available-for-sale financial assets at the reporting date comprise quoted equity securities.

(ii) Non-derivative financial liabilities

The Group initially recognizes financial liabilities on the trade date, which is the date that the Group becomes a party to the contractual provisions of the instrument.

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

Financial liabilities are recognized initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, these financial liabilities are measured at mortised cost using the effective interest method. Non-derivative financial liabilities comprise trade and other payables and due to a related party.

(iii) Share capital

Ordinary shares

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity, net of any tax effects.

(d) Property, plant and equipment

(i) Recognition and measurement

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

Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the following:

• cost of materials and direct labour;

• any other costs directly attributable to bringing the assets to a working condition for their intended use.

• when the group has an obligation to remove the asset or restore the site, an estimate of the costs of dismantling and removing the items and restoring the site on which they are located.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment. The gain or loss on disposal of an item of property and equipment is determined by comparing the proceeds from disposal with the carrying amount of the property, plant and equipment, and is recognised net within other income/other expenses in profit or loss.

(ii) Subsequent costs

The cost of replacing a component of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the component will

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flow to the Group, and its cost can be measured reliably. The carrying amount of the replaced component is derecognised. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred.

(iii) Depreciation

Depreciation is based on the cost of an asset less its residual value. Significant components of individual assets are assessed and if a component has a useful life that is different from the remainder of that asset, that component is depreciated separately.

Depreciation is recognised in profit or loss on a straight-line basis over the estimated useful lives of each component of an item of property and equipment. Land, if any, is not depreciated.

The estimated useful lives of the depreciable assets are as follows:

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

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

(e) Inventories

Inventories comprise refined petroleum products, maintenance materials and parts. Inventories are measured at the lower of cost and net realizable value. The cost of inventories is based on the weighted average, and includes expenditure incurred in acquiring the inventories, production or conversion costs and other costs incurred in bringing them to their existing location and condition.

Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

(f) Impairment

(i) Non-derivative financial assets

A financial asset not carried at fair value through profit or loss is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

Objective evidence that financial assets (including equity securities) are impaired can include default or delinquency by a debtor, restructuring of an amount due to the Company on terms that the Company would not consider otherwise, indications that a debtor or issuer will enter bankruptcy, adverse changes in the payment status of borrowers or issuers in the Group, economic conditions that correlate with defaults or the disappearance of an active market for a security. In addition, for an investment in an equity security, a significant or prolonged decline in its fair value below its cost is objective evidence of impairment.

In assessing collective impairment the Group uses historical trends of the probability of default, the timing of recoveries and the amount of loss incurred, adjusted for management's judgement as to whether current economic and credit conditions are such that the actual losses are likely to be greater or less than suggested by historical trends.

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Receivables

The Group considers evidence of impairment for receivables at both a specific asset and collective level. All individually significant receivables are assessed for specific impairment.

All individually significant receivables found not to be specifically impaired are then collectively assessed for any impairment that has been incurred but not yet identified. Receivables that are not individually significant are collectively assessed for impairment by grouping together receivables with similar risk characteristics.

In assessing collective impairment the Group uses historical trends of the probability of default, the timing of recoveries and the amount of loss incurred, adjusted for management's judgement as to whether current economic and credit conditions are such that the actual losses are likely to be greater or less than suggested by historical trends.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its 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 against receivables. When a subsequent event (e.g. repayment by a debtor) causes the amount of impairment loss to decrease, the decrease in 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 in equity, to profit or loss. The cumulative loss that is reclassified from equity to profit or loss is the difference between the acquisition cost, net of any principal repayment and amortisation, and the current fair value, less any impairment loss recognised previously in profit or loss. Changes in impairment provisions attributable to application of the effective interest method are reflected as a component of interest income. If, in a subsequent period, the fair value of an impaired available-for-sale debt security increases and the increase can be related objectively to an event occurring after the impairment loss was recognised in profit or loss, then the impairment loss is reversed, with the amount of the reversal recognised in profit or loss. However, any subsequent recovery in the fair value of an impaired available-for-sale equity security is recognised in other comprehensive income.

(ii) Non-financial assets

The carrying amounts of the Group's non-financial assets, other than inventories, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. For assets that have indefinite useful lives or that are not yet available for use, the recoverable amount is estimated each year at the same time. An impairment loss is recognised if the carrying amount of an asset or its related cash-generating unit (CGU) exceeds its estimated recoverable amount.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are 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. For the purpose of impairment testing, assets that cannot be tested individually 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 CGU. Subject to an operating segment ceiling test, for the purposes of goodwill impairment testing, CGUs to which goodwill has been allocated are aggregated so that the level at which impairment testing is performed reflects the lowest level at which goodwill is monitored for internal reporting purposes. Goodwill acquired in a business combination is allocated to groups of CGUs that are expected to benefit from the synergies of the combination.

Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to the CGU (group of CGUs), and then to reduce the carrying amounts of the other assets in the CGU (group of CGUs) on a pro rata basis.

An impairment loss in respect of goodwill is not reversed. In respect of other assets, impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or

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no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. 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.

(g) Employees' benefits

The Group provides end of service benefits to its expatriate employees in accordance with Qatar labour law Qatar Labour Law No. 14 of 2004. 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. The Company has no expectation of settling its employees' terminal benefits obligation in the near future and has classified as a non-current liability.

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.

(h) Provisions

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

(i) Revenue recognition

a) Sale of refined oil and gas products and other goods

Revenue from the sale of refined oil and gas products and other goods in the course of ordinary activities is measured at the fair value of the consideration received or receivable, net of returns, trade discounts and volume rebates. Revenue is recognized when persuasive evidence exists, usually in the form of an executed sales agreement, that 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. If it is probable that discounts will be granted and the amount can be measured reliably, then the discount is recognized as a reduction of revenue as the sales are recognized.

Transfer of risks and rewards for refined oil and gas products is based on the contractual delivery terms with the customers, as either FOB shipping/destination point.

b) Rendering of services

Revenue from services rendered is recognized in profit or loss when the service is provided to the customers. The Group provides the services of vehicles inspection and other vehicles petrol stations services.

c) Dividend income

Dividend income is recognised in profit or loss on the date that the Group's right to receive payment is established, which in the case of quoted securities is normally the ex-dividend date.

d) Interest income

Interest income is recognised as it accrues in profit or loss, using the effective interest method.

e) Rental income

Rental income from vessels is recognised in profit or loss 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.

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(j) Lease payments

Payments made under operating leases are recognized in profit or loss on a straight-line basis over the term of the lease. Lease incentives received are recognized as an integral part of the total lease expense, over the term of the lease.

Contingent lease payments are accounted for by revising the minimum lease payments over the remaining term of the lease when the contingency no longer exists and the lease adjustment is known.

(k) 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 Parent by the weighted average number of ordinary shares outstanding during the period.

(l) Segment reporting

A segment is a distinguishable component of the Group that is engaged either in providing related products or services (business segment), or in providing products or services within a particular economic environment (geographical segment), which is subject to risks and returns that are different from those of other segments. Segment information is presented in respect of the Group's business and geographical segments in Note 24. The Group's primary format for segment reporting is based on business segments. The business segments are determined based on the Group's management and internal reporting structure.

(m) Business combinations and goodwill

Business combinations are accounted for using the acquisition method as at the acquisition date, which is the date on which control is transferred to the Group. Control is the power to govern the financial and operational policies of an entity so as to obtain benefits from its activities. In assessing control, the Group takes into consideration potential voting rights that currently are exercisable.

The Group measures goodwill at the acquisition date as:
- The fair value of the consideration transferred; plus
- The recognized amount of any non-controlling interests in the acquiree; plus
- If the business combination is achieved in stages, the fair value of the pre-existing equity interest in the acquire; less
- The net recognized amount (generally fair value) of the identifiable assets acquired and liabilities assumed.

When the excess is negative, a bargain purchase gain is recognized immediately in the consolidated income statement.

Following 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, or groups of cash generating units, that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the

Group are assigned to those units or groups of units. Each unit or group of units to which the goodwill is allocated:

- represents the lowest level within the Group at which the goodwill is monitored for internal management purposes; and
- Is not larger than a segment based on either the Group's primary or the Group's secondary reporting format determined in accordance with IFRS 8 Operating Segment.

The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts generally are recognized in income statement.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2011

Transactions costs, other than those associated with the issue of debt or equity securities, that the Group incurs in connection with a business combination are expensed as incurred.

Any contingent consideration payable is measured at fair value at the acquisition date. If the contingent consideration is classified as equity, then it is not re measured and settlement is accounted for within equity.

Otherwise, subsequent changes in the fair value of the contingent consideration are recognized in the income statement.

Impairment is determined for goodwill by assessing the recoverable amount of the cash-generating unit (or group of cash-generating units), to which the goodwill relates. Where the recoverable amount of the cash-generating unit (or group of cash-generating units) is less than the carrying amount of the cash-generating unit (group of cash-generating units) to which goodwill has been allocated, an impairment loss is recognized. Impairment losses relating to goodwill cannot be reversed in future periods.

Goodwill is reviewed for impairment, annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired. The Group performs its annual impairment test of goodwill at year-end.

Where goodwill forms part of a cash-generating unit (group of cash generating units) and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation. Goodwill disposed of in this circumstance is measured based on the relative values of the operation disposed of and the portion of the cash generating unit retained.

If subsidiaries are sold, the difference between the selling price and the net assets plus cumulative translation differences and unamortized goodwill is recognized in the consolidated income statement.

4. NEW STANDARDS AND INTERPRETATIONS

(i) New standards, amendments and interpretations issued and effective from 1 January 2011

(a) IAS 24 (Revised) "Related party disclosures"

The revised standard was issued in November 2009. The revised standard clarifies and simplifies the definition of a related party and removes the requirement for government-related entities to disclose details of all transactions with the government and other government-related entities.

The adoption of the revised standard did not have any significant impact on the related party disclosures of the Group.

(b) Improvements to IFRS

Improvements to IFRS issued in 2010 contained numerous amendments to IFRS that the IASB considers non-urgent but necessary. 'Improvements to IFRS' comprise amendments that result in accounting changes to presentation, recognition or measurement purposes, as well as terminology or editorial amendments related to a variety of individual IFRS standards. There were no significant changes to the current accounting policies of the Group as a result of these amendments.

(ii) New standards, amendments and interpretations issued but not yet effective

(a) IAS 1 (amendment) - "Presentation of items of other comprehensive income"

The amendments to IAS 1 require that an entity present separately the items of other comprehensive income that would be reclassified to profit or loss in the future if certain conditions are met from those that would never be reclassified to profit or loss.

The amendment is effective for annual periods beginning on or after 1 July 2012 with an option of early application.

The application of this amendment is not expected to have any no significant impact on the consolidated financial statements of the Group.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2011

(b) IAS 19 (2011) "Employee benefits"

The amended IAS 19 includes the following requirements:

- actuarial gains and losses are recognized immediately in other comprehensive income; this change will remove the corridor method and eliminate the ability for entities to recognize all changes in the defined benefit obligation and in plan assets in profit or loss, which currently is allowed under IAS 19; and

- expected return on plan assets recognized in profit or loss is calculated based on the rate used to discount the defined benefit obligation.

The amended standard is effective for annual periods beginning on or after 1 January 2013 with an option of early adoption.

(c) Amendment to IFRS 7 (amendment) – Disclosures: Transfer of financial assets

The amendments to IFRS 7 introduce new disclosure requirements about transfers of financial assets including disclosures for financial assets that are not derecognised in their entirety; and financial assets that are derecognised in their entirety but for which the entity retains continuing involvement. The amendments are effective for annual periods beginning on or after 1 July 2011, but entities are not required to provide the disclosures for any period presented that begins before the date of initial application of the amendments. Early adoption is permitted.

(d) IFRS 9 "Financial Instruments"

IFRS 9 was issued in November 2009 and amended in October 2010 and replaces those parts of IAS 39 relating to the classification and measurement of financial assets and financial liabilities.

While adoption of IFRS 9 is mandatory from 1 January 2013, earlier adoption is permitted. Prior periods need not be restated if an entity adopts the standard for reporting periods beginning before 1 January 2012. In its November 2011 meeting, the IASB tentatively decided to defer the mandatory effective date to 1 January 2015. The Group is yet to assess IFRS 9's full impact.

(e) IFRS 10 - Consolidated financial statements and IAS 27 Separate Financial Statements (2011)

IFRS 10 introduces a new approach to determining which investees should be consolidated and provides a single model to be applied in the control analysis for all investees. An investor controls an investee when; it is exposed or has rights to variable returns from its involvement with that investee; it has the ability to affect those returns through its power over that investee; and there is a link between power and returns. Control is reassessed as facts and circumstances change.

IFRS 10 supersedes IAS 27 (2008) and SIC-12 Consolidation—Special Purpose Entities. The Group is yet to assess IFRS 10's full impact.

The standard is effective for annual periods beginning on or after 1 January 2013. Early adoption is permitted provided that the entire suite of consolidation standards is adopted at the same time. IFRS 10 is applied retrospectivcely when there is a change in the control conclusion between IAS 27/SIC-12 and IFRS 10. IAS 27 (2011) supersedes IAS 27 (2008). IAS 27 (2011) carries forward the existing accounting and disclosure requirements for separate financial statements, with some minor clarifications.

(f) IFRS 13 – "Fair value measurement"

IFRS 13 replaces the fair value measurement guidance contained in individual IFRSs with a single source of fair value measurement guidance. It defines fair value, establishes a framework for measuring fair value and sets out disclosure requirements for fair value measurements. It explains how to measure fair value when it is required or permitted by other IFRSs. It does not introduce new requirements to measure assets or liabilities at fair value, nor does it eliminate the practicability exceptions to fair value measurements that currently exist in certain standards.

The standard is effective for annual periods beginning on or after 1 January 2013 with an option of early adoption.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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(iii) Early adoption of standards

The Group did not early adopt new or amended standards/interpretations in 2011.

5. DETERMINATION OF FAIR VALUES

A number of the Group's accounting policies and disclosures require the determination of fair value, for both financial and non-financial assets and liabilities. Fair values have been determined for measurement and/or disclosure purposes based on the following methods. When applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

(i) Property, plant and equipment

The fair value of property, plant and equipment recognised as a result of a business combination is the estimated amount for which a property could be exchanged on the date of acquisition between a willing buyer and a willing seller in an arm's length transaction after proper marketing wherein the parties had each acted knowledgeably. Depreciated replacement cost estimates reflect adjustments for physical deterioration as well as functional and economic obsolescence.

(ii) Equity securities

The fair value of equity securities is determined by reference to their quoted closing bid price at the reporting date.

6. PROPERTY, PLANT AND EQUIPMENT

	Buildings and infrastructure	Plant and equipment	Vehicles, office, equipment and furniture	Vessels	Projects in progress	Total 2011	Total 2010
Cost							
Balance at 1 January 2011	236,421,147	370,095,190	299,890,286	260,571,048	535,383,323	1,702,360,994	1,493,649,486
Additions	49,411,206	16,388,924	46,815,722	109,189	272,667,732	385,392,773	210,106,048
Transferred from projects in progress	63,274,480	32,059,008	17,600,950	-	(112,934,438)	-	-
Disposals	-	-	-	-	-	-	(1,394,540)
At 31 December	349,106,833	418,543,122	364,306,958	260,680,237	695,116,617	2,087,753,767	1,702,360,994
Accumulated depreciation							
Balance at 1 January 2011	40,501,466	104,413,470	126,413,223	42,441,417	-	313,769,576	224,742,864
Depreciation charges for the year	14,513,097	42,100,566	42,328,884	13,033,777	-	111,976,324	89,370,198
Disposals	-	-	-	-	-	-	(343,486)
Impairment	-	-	-	-	16,542,893	16,542,893	-
At 31 December	55,014,563	146,514,036	168,742,107	55,475,194	16,542,893	442,288,793	313,769,576
Net carrying amount							
At 31 December 2011	**294,092,270**	**272,029,086**	**195,564,851**	**205,205,043**	**678,573,724**	**1,645,464,974**	**-**
At 31 December 2010	195,919,681	265,681,720	173,477,063	218,129,631	535,383,323	-	1,388,591,418

Note (i):
The land, which the petrol stations are constructed on, is not owned or leased by the Company. The Company is occupying the land based on an allotment letter from the Ministry of Municipality and Urban Planning without a defined lease term or payments.

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7) AVAILABLE-FOR-SALE FINANCIAL ASSETS

Available-for-sale financial assets represent investments in shares of listed entities on the Qatar Exchange. At the date of financial position, the details of the closing balances were as follows:

	2011	2010
Qatar Gas Transport Company Q.S.C.	164,942,291	111,776,000
Vodafone Qatar Company Q.S.C.	12,765,540	14,067,456
Industries Qatar Q.S.C.	107,938,012	99,161,418
Qatar Electricity and Water Company Q.S.C.	88,354,935	-
	374,000,778	225,004,874

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

	2011	2010
At 1 January	225,004,874	148,602,720
Acquired during the year	167,264,358	87,935,583
Net movement in fair value reserve	(14,125,994)	(11,533,429)
Impairment	(4,142,460)	-
	374,000,778	225,004,874

8) GOODWILL

	2011	2010
Relating to Qatar Jet Fuel Company	57,700,022	57,700,022
Relating to FAHES	75,235,110	75,235,110
	132,935,132	132,935,132

An impairment review of the goodwill was undertaken by the management on 31 December 2011. This compared the carrying value of goodwill with the anticipated recoverable amounts of the subsidiaries Qatar Jet Fuel Company and FAHES, which are the cash-generating units to which the goodwill was allocated. The recoverable amounts of the cash-generating units are based on value in use, which is calculated from cash flow projections for 5 years ending 31 December 2016 using data from Board approved budgets. A key assumption for the value in use calculations was the discount rate represented in the Group's weighted average cost of capital of 8%. The Directors estimate discount rates that reflect the current market assessments of the time value of money and risks specific to the cash-generating units, and they consider the appropriate risk adjusted discount rate is 8%. Changes in revenue and direct costs are based on an assumed compound growth rate of 4%, as well as past experience and expectations of future changes in the market. The management concluded from this review that there had been no impairment to the goodwill during the year ended 31 December 2011.

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For the year ended 31 December 2011

9) INVENTORIES

	2011	2010
Jet fuel oil	65,996,569	48,228,152
Heavy fuel oil	59,887,104	53,822,730
Light gas fuel oil	34,811,630	25,576,197
Materials and spare parts	38,853,668	42,062,678
Refined fuel oil - premium grade	17,318,487	7,699,162
Refined fuel oil - super grade	16,737,349	11,973,421
Retail stores inventory	12,072,878	6,066,670
Other inventory items	4,538,849	2,562,072
	250,216,534	197,991,082

10) RELATED PARTY TRANSACTIONS

Related parties represent major shareholders, directors and key management personnel of the Group, and companies of which they are principal owners. Pricing policies and terms of these transactions are approved by the Group's Directors.

a) Due from a related party

	2011	2010
Ras Gas	25,116,056	24,260,621
Qatar Liquefied Gas Company Ltd. ("Qatar Gas")	16,131,346	28,668,333
Gulf Helicopters Q.S.C.	10,211,615	4,386,911
Gulf Drilling International ("GDI") Q.S.C.	5,148,442	1,680,120
Qatar Aluminium ("Qatalum")	1,432,239	-
Amwaj Catering Services	851,391	137,158
Qatar Fuel Additives Company ("QAFAC") C.Q.S.C.	730,375	344,256
Qatar Steel Company ("QASCO") Q.S.C.	604,853	563,678
Qatar Chemical Company Ltd. ("Q-Chem")	585,657	412,657
Qatar Petrochemical Company ("QAPCO") Q.S.C.	400,997	438,770
Qatar Fertiliser Company ("QAFCO") C.Q.S.C.	142,044	69,360
Oryx GTL	126,721	163,310
Qatar Vinyl Company ("QVC")	97,125	81,793
Seef Ltd.	26,650	18,090
Gasal Q.S.C.	5,221	-
	61,610,732	61,225,057

b) Due to a related party

	2011	2010
Qatar Petroleum	**1,530,063,880**	1,609,232,574

The above amount represents the balance of the current account with Qatar Petroleum which consists of normal purchases and service transactions. The outstanding balance is interest free.

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The balance due to Qatar Petroleum is segregated between current and non-current liabilities as follows:

	2011	2010
Current liabilities	1,530,063,880	1,575,414,041
Non-current liabilities	-	33,818,533
	1,530,063,880	1,609,232,574

c) Transactions with related parties

Transactions with related parties included in the consolidated income statement are as follows:

Name of related party and nature of transactions	**2011**	2010
Qatar Petroleum.– Sales	**79,078,055**	128,405,175
Qatar Petroleum – Purchases	**8,103,190,430**	5,321,483,451

Sales transactions to Qatar Petroleum are at arm's length, and purchases from Qatar Petroleum are in accordance with contractual terms approved by the Directors.

d) Compensation of key management personnel

	2011	2010
Board of directors remuneration	17,007,493	10,792,751
Salaries and other short term benefits	9,396,571	5,872,857
Post-employment benefits	370,513	336,830
	26,774,577	17,002,438

11) TRADE RECEIVABLES

	2011	2010
Trade receivables	1,645,092,603	1,165,456,113
Notes receivable	202,442	53,082,884
	1,645,295,045	1,218,538,997
Less: Allowance for doubtful accounts	(735,127)	(41,713,613)
	1,644,559,918	1,176,825,384

All of the above receivables are either secured against a bank guarantee or are receivables from government agencies.

The movement in the allowance for doubtful accounts in respect of trade and other receivables during the year was as follows:

	2011	2010
Balance at 1 January	41,713,613	112,144,880
Provided during the year (*Note i*)	561,025	41,713,613
Reversal during the year	(41,539,511)	(112,144,880)
Balance at 31 December	**735,127**	41,713,613

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Note (i)

The allowance for doubtful account expense of QR 561,025 relates to relates to several customers that have indicated that they are not expecting to be able to pay their outstanding balances, mainly due to economic circumstances.

The Group believes that the unimpaired amounts that are past due by more than 30 days are still collectible, based on historic payment behaviour and extensive analysis of customer credit risk, including underlying customers' credit ratings, when available.

12) PREPAYMENTS AND OTHER RECEIVABLES

	2011	2010
Advances to suppliers and contractors	13,157,461	13,925,699
Advances for purchase of investments	26,316,761	3,822,533
Staff advances and loans	2,574,507	20,312,613
Accrued income	23,527,649	12,705,763
Refundable deposits	14,603,416	8,689,082
Prepaid expenses	10,070,334	4,446,229
Interest receivable	5,176,140	1,016,051
Other receivables	4,831,631	2,683,053
	100,257,899	67,601,023

13) CASH AND BANKS

	2011	2010
Cash on hand	727,910	491,119
Balances with banks		
Current and call accounts	1,200,391,684	1,500,961,988
Fixed deposits	1,548,204,987	1,402,005,012
	2,749,324,581	2,903,458,119

The term deposits carry an interest rate between 1.70 % and 2% (2010: 3.00 %)

14) SHARE CAPITAL

	2011	2010
Authorised:		
100,000,000 ordinary shares of QR 10 each	**1,000,000,000**	1,000,000,000
Issued:		
41,580,000 ordinary shares of QR 10 each (2010: 31,500,000 shares)	**415,800,000**	346,500,000

All shares are of equal class and voting rights. During the current year, the Parent has issued bonus shares equivalent to 20% (2010: 10%) of the paid up capital as at 31 December 2010 amounting to QR 69,300,000 equivalent to 6,930,000 shares (2010: QR 31,500,000 equivalent to 3,150,000 shares) as approved by the Annual General Assembly held on 16 March 2011.

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15) LEGAL RESERVE

As required by Qatar Commercial Companies' Law No. 5 of 2002, and the Group's Articles of Association, a minimum of 10% of the net profit for the year should be transferred to legal reserve each year until this reserve equals 50% of the paid up share capital. The reserve is not available for distribution except in the circumstances stipulated in the above mentioned Law.

As the reserve has already exceeded 50% of the share capital, there are no transfers from net profit for the year to legal reserve.

16) PROVISIONS

In 2010, the Directors of the Group decided to make a provision of QR 100 million for a litigation raised by a counter party to the Group. The provision amount was based on the best estimate of the probable unfavourable outcome on the Group as a result of this litigation, as assessed by the Group's legal advisor at the reporting date.

Effective on 4 October 2011, Qatar Petroleum and WOQOD concluded an amicable settlement agreement ("the Agreement") with Maritime Industrial Services ("MIS" or "Sub-contractor") to finally and fully settle all legal, commercial and contractual claims, demands, and causes of legal dispute with a payment of QR 84 million to MIS which has been recapitalised under project in progress in the current year.

The Directors decided that the provision, which was recorded based on the best available information at that time, is no longer needed and has been accordingly reversed.

17) PAYABLES AND ACCRUALS

	2011	2010
Suppliers and contractors payable	83,745,453	43,216,861
Retention payable	39,934,345	31,220,629
Dividends payable	49,541,147	44,317,104
Deposits from others	24,000,725	11,115,900
Accrued expenses	52,191,799	12,673,868
Other payables	39,435,073	31,449,549
	288,848,542	173,993,911

18) REVENUE

	2011	2010
Sales of refined petroleum products	9,795,487,665	7,097,200,161
Sales of petrol stations	471,268,470	336,779,808
Transportation and storage revenues	186,425,434	182,809,342
Revenues from inspection services	43,840,360	41,479,295
Sales of lubricants and supplies	7,338,160	4,545,375
	10,504,360,089	7,662,813,981

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19) OTHER INCOME

	2011	2010
Interest income	45,727,531	58,189,673
Reversed allowance for doubtful accounts (Note 11)	41,539,511	112,144,880
Road Tanker rental income	18,783,117	-
Dividend income	4,200,000	2,800,000
Vessels rental income	28,482,232	-
Miscellaneous income	29,613,912	23,054,021
	168,346,303	196,188,574

20) GENERAL AND ADMINISTRATIVE EXPENSES

	2011	2010
Staff benefits	367,263,843	298,900,980
Depreciation	104,532,318	89,370,198
Advertising and subscriptions	13,830,907	12,074,211
Board of Directors remuneration and other committees allowances	33,995,523	11,340,753
Immigration expenses	3,389,984	3,536,134
Rent expenses	6,985,296	9,818,056
Insurance charges	9,739,465	10,200,356
Utilities charges	4,545,118	3,448,509
Communication expenses	5,030,054	2,596,012
Travel expenses	2,696,984	2,970,025
Customs clearing	2,630,311	1,945,623
Social and sports fund provision	29,605,715	27,542,561
Allowance for doubtful accounts expense (Note 11.i)	561,025	41,713,613
Other general and administrative expenses	45,821,881	29,241,493
	630,628,424	544,698,524

21) IMPAIREMENT LOSSES

	2011	2010
Impairment of other intangible assets	-	1,661,247
Impairment losses for advances to suppliers	-	188,900
Impairment of other debit balances	-	975,996
Impairment of property, plant and equipment	16,542,893	-
Impairment of available-for-sale financial assets	4,142,460	-
	20,685,353	2,826,143

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2011

22) EARNINGS PER SHARE

Basic earnings per share are calculated by dividing the net profit attributed to the Parent shareholders for the year by the weighted average number of shares outstanding during the year.

	2011	2010
Net profit attributable to the Parent's shareholders for the year	1,154,622,871	1,074,159,882
Weighted average number of shares outstanding during the year (Note i)	41,580,000	41,580,000
Basic and diluted earnings per share (QR)	**27.77**	25.83

There were no potentially dilutive shares outstanding at any time during the year. Therefore, the diluted earnings per share are equal to the basic earnings per share.

Note i:
Basic earnings per share for the comparative year ended 31 December 2010 was restated due to the effect of bonus shares issued during the current year.

23) DIVIDENDS

In its General Assembly Meeting dated 16 March 2011, the shareholders of the Group approved declaring QR 10 per share totalling to QR 346,500,000 as cash dividends to be distributed from 2010 net profit, in addition to 20% bonus shares issue totalling to 6,930,000 shares to its existing shareholders as of that date.

24) SEGMENT INFORMATION

The Group mainly operates in the areas of sale and distribution of refined petroleum products, technical inspection of vehicles and marine transportation. More than 95% of the Group's revenue is generated through 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 Managing Director include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly corporate assets (primarily the Group's headquarters) and head office expenses.

2011	**Refined petroleum products**	**Technical inspection of vehicles**	**Marine transportation**	**Total 2011**
External revenue	10,456,076,009	43,840,360	-	**10,499,916,369**
Inter-segment revenue	5,051,515,764	-	-	**5,051,515,764**
Reportable segment profit	1,269,790,468	19,264,479	-	**1,289,054,947**
Reportable segment assets	6,846,473,725	111,896,822	-	**6,958,370,547**

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2010	Refined petroleum products	Technical inspection of vehicles	Marine transportation	Total 2010
External revenue	7,616,789,311	41,479,295	4,545,375	7,662,813,981
Inter-segment revenue	3,119,979,264	-	-	3,119,979,264
Reportable segment profit	1,153,188,589	15,777,941	-	1,168,966,530
Reportable segment assets	6,061,313,556	92,318,533	-	6,153,632,089

25) CONTINGENT LIABILITIES

	2011	2010
Bank guarantees	300,000	210,000
Letters of credit	12,545,230	11,853,479

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) CONTRACTUAL COMMITMENTS

	2011	2010
Heavy fuel oil project	-	325,000,000
Construction of petrol stations	108,000,000	53,565,310
	108,000,000	378,565,310

27) FINANCIAL INSTRUMENTS

Governance framework

The primary objective of the Group's risk and financial management framework is to protect the shareholders from events that hinder the sustainable achievement of the set financial performance objectives. Key management recognizes the critical importance of having efficient and effective risk management systems in place.

The Group has not yet established a risk management function with clear terms of reference from the board of directors, its committees and the associated executive management committees. This is to be supplemented with a clear organizational structure with documented delegated authorities and responsibilities from the board of directors to executive management committees and senior managers. A Group's risk management policy framework which sets out the risk profiles for the Group, risk management, control and business conduct standards for the Group's operations will be put in place in the near future.

Capital management framework

The Group is in the process of establishing an internal risk management framework for identifying risks to which each of its business units and the Group as a whole are exposed, quantifying their impact on economic capital. The internal framework estimates will indicate how much capital is needed to mitigate the risk of insolvency to a selected remote level of risk applied to a number of tests (both financial and non-financial) on the capital position of the business.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended 31 December 2011

Regulatory framework

The operations of the Group are subject to regulatory requirements within the State of Qatar.

(a) **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, and arises principally from the Group's receivables from customers.

Exposure to credit risk

The carrying amounts of financial assets represent the maximum credit exposure. The maximum exposure to credit risk at the reporting date was:

		Carrying amounts
	2011	2010
Due from related parties	61,610,732	61,225,057
Trade receivables	1,644,559,918	1,176,825,384
Cash and bank balances	2,749,324,581	2,903,458,119
	4,455,495,231	4,141,508,560

Trade receivables
Trade receivables are represented in trade receivables, accrued revenues and interest receivable. Credit risk on trade receivables is minimal as Group's has established a credit policy under which each new customer is analysed individually for creditworthiness before granting credits to its clients. Purchase limits are established for each customer, which represents the maximum open amount without requiring approval from the Pricing Committee; these limits are reviewed regularly. Customers that fail to meet the Group's benchmark creditworthiness may transact with the Group only on a prepayment basis.

The Group establishes an allowance for doubtful accounts that represents its estimate of incurred losses in respect of trade and other receivables. The main components of this allowance are a specific loss component that relates to individually significant exposures, and a collective loss component established for groups of similar assets in respect of losses that have been incurred but not yet identified. The collective loss allowance is determined based on historical data of payment statistics for similar financial assets.

Impairment losses

The ageing of trade and other receivables at the reporting date that were not impaired was as follows

	2011	2010
Trade receivables not past due	712,563,466	626,054,660
Trade receivables past due and not impaired		
Up to 30 days	611,464,220	283,691,547
31 to 60 days	61,342,366	55,208,129
61 to 90 days	21,856,490	16,279,925
91-180 Days	21,495,358	15,046,751
181-360 Days	37,470,443	41,217,487
Beyond 361 Days	178,900,260	127,957,615
	1,645,092,603	1,165,456,113

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Bank balances

Credit risk on bank balances is limited as they are placed with local and foreign banks having good credit ratings assigned by international credit rating agencies.

(b) **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. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

The Group has strong liquidity position, being at the statement position date, the Group's current ratio was 2.64 times (2010: 2.52 times on 31 December 2010).

The following are the contractual maturities of financial liabilities (all are non-derivative), including interest payments, if any, and excluding the impact of netting agreements:

31 December 2011	**Carrying amount**	**Gross un-discounted contractual cash out flows**	**Less than 1 year**	**1 – 5 Years**	**More than 5 years**
Due to a related party	1,530,063,880	1,530,063,880	1,530,063,880	-	-
Trade and other payables	288,848,542	288,848,542	288,848,542	-	-
	1,818,912,422	**1,818,912,422**	**1,818,912,422**	**-**	**-**

31 December 2010	Carrying Amount	Gross un-discounted contractual cash out flows	Less than 1 year	1 – 5 Years	More than 5 years
Due to a related party	1,609,232,574	1,609,232,574	1,575,414,041	33,818,533	-
Trade and other payables	173,993,911	173,993,911	173,993,911	-	-
	1,783,226,485	1,783,226,485	1,749,407,952	33,818,533	-

(c) Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices 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.

(i) Currency risk

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

A sensitivity analysis was not disclosed as the Group has no significant exposure to currency risk. At the reporting date the outstanding payable and receivable balances denominated in foreign currencies were minimal.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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(ii) Equity price risk

Equity price risk is the risk that the fair values of equity decreases as a result of changes in price indices of investments in other entities' equity instruments as part of the Group's investment portfolio.

The effect on equity as a result of changes by 10% in fair values of the investment in equity instruments designated as available-for-sale financial assets on the consolidated shareholders' is assessed as follows:

	10 % Increase	10 % Decrease
2011	**37,400,077**	**(37,400,077)**
2010	22,500,487	(22,500,487)

(iii) Interest rate risk

The majority of the Group's financial assets are non-interest bearing. While all the Group's financial liabilities are non-interest bearing. As a result, the Group is not subject to significant amounts of risk due to fluctuations in the prevailing levels of market interest rates. Any excess cash and cash equivalents are invested in fixed deposits at short-term market interest rates, hence the Group's only interest bearing financial statement element is the fixed deposits with banks.

2011	**Interest bearing**	**Non-interest bearing**	**Total**
Assets			
Due from related parties	-	61,610,732	61,610,732
Trade and other receivables	-	1,644,559,918	1,644,559,918
Cash at bank	2,749,324,581	-	2,749,324,581
	2,749,324,581	**1,706,170,650**	**4,455,495,231**
Liabilities			
Trade and other payables	-	288,848,542	288,848,542
Due to related party	-	1,530,063,880	1,530,063,880
	-	**1,818,912,422**	**1,818,912,422**

2010	Interest bearing	Non-interest bearing	Total
Assets:			
Due from related parties	-	61,225,057	61,225,057
Trade and other receivables	-	1,176,825,384	1,176,825,384
Cash at Bank	2,865,032,136	38,425,983	2,903,458,119
	2,865,032,136	1,276,476,424	4,141,508,560
Liabilities:			
Trade and other payables	-	173,993,911	173,993,911
Due to related party	-	1,609,232,574	1,609,232,574
	-	1,783,226,485	1,783,226,485

The Group does not account for any fixed rate financial assets and liabilities at fair value through profit or loss. Therefore a change in interest rates at the reporting date would not affect profit or loss.

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Capital risk management

The Group's objectives when managing capital are, to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

The Group's overall strategy remains unchanged from 2010. The capital structure of the Group consists of related party payables, which includes due to Qatar Petroleum disclosed in note 10.c, cash and cash equivalents and equity, comprising issued capital, reserves and retained earnings.

Management reviews the capital structure on a regular basis. As part of this review, management considers the cost of capital and associated risks.

Capital is monitored on the basis of the bearing ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as total due to related party balances less cash and cash equivalents. Total capital is calculated as 'equity' as shown in the statement of financial position.

	2011	2010
Due to Qatar Petroleum	1,530,063,880	1,609,232,574
Less: cash and cash equivalents	(2,749,324,581)	(2,903,458,119)
Excess of cash and cash equivalents over debt	**(1,219,260,701)**	(1,294,225,545)

The Group does not use bearing in financing its operating and investing activities, as there is excess of cash and cash equivalents than debt as illustrated above.

28) CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

a) Critical accounting judgments

Impairment of receivables

An estimate of the collectible amount of trade receivable and advances is made when collection of the full amount is no longer probable. For individually significant amounts, this estimation is performed on an individual basis. As trade receivables are either guaranteed by bank guarantees covering the outstanding balances, or are due from Governmental entities, the risk for impairment of receivables is considered to be low, however the Group applies a conservative policy regarding providing for any amounts assessed as doubtful in full balance.

Amounts which are not individually significant, but which are past due, are assessed collectively and a provision applied according to the length of time past due, based on historical recovery rates.

Classification of investment securities

On acquisition of an investment security, the Group decides whether it should be classified as "investments at fair value through profit or loss" or "available-for-sale". The Group follows the guidance of IAS 39 on classifying its investments. The Group classifies investments as "at fair value through profit or loss" if they are acquired primarily for the purpose of short term profit making and cash generation. All other investments are classified as "available-for-sale". The Group accounts for investments in equity securities as investment in associate only when significant influence over the investee's operations can be proved to exercise, else and regardless of the ownership share, the investment is classified as available-for-sale .

Useful lives of property, plant and equipment

The Group's management determines the estimated useful lives of its property, plant and equipment for calculating depreciation. This estimate is determined after considering the expected usage of the asset, physical wear and tear, technical or commercial obsolescence.

Valuation of financial instruments

The Group measures fair values using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements:

- Level 1: Quoted market price (unadjusted) in an active market for an identical instrument.

- Level 2: Valuation techniques based on observable inputs, either directly (i.e., as prices) or indirectly (i.e., derived from prices). This category includes instruments valued using: quoted market prices in active markets for similar instruments; quoted prices for identical or similar instruments in markets that are considered less than active; or other valuation techniques where all significant inputs are directly or indirectly observable from market data.

- Level 3: Valuation techniques using significant unobservable inputs. This category includes all instruments where the valuation technique includes inputs not based on observable data and the unobservable inputs have a significant effect on the instrument's valuation. This category includes instruments that are valued based on quoted prices for similar instruments where significant unobservable adjustments or assumptions are required to reflect differences between the instruments.

Fair values of financial assets and financial liabilities that are traded in active markets are based on quoted market prices or dealer price quotations. For all other financial instruments the Group determines fair values using valuation techniques.
Availability of observable market prices and inputs varies depending on the products and markets and is prone to changes based on specific events and general conditions in the financial markets.

The table below analyses financial instruments measured at fair value at the end of the reporting period, by the level in the fair value hierarchy into which the fair value measurement is categorized:

2011	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial assets at fair value:				
Available-for-sale investments	**374,000,778**	**-**	**-**	**374,000,778**

2010	Level 1	Level 2	Level 3	Total
Financial assets at fair value:				
Available-for-sale financial assets	225,004,874	-	-	225,004,874

b) Estimation uncertainty

Impairment of available-for-sale financial assets

The Group treats available-for-sale equity investments as impaired when there has been a significant or prolonged decline in fair value below its cost or where other objective evidence of impairment exists. The determination of what is "significant" or "prolonged" requires considerable judgment. The Group treats "significant" generally as 20% or more and 'prolonged' greater than six (6) months. In addition, the Group evaluates other factors, including normal volatility in share price for quoted equities and the future cash flows and the discount factors for unquoted equities, if any.

Impairment of non-financial assets

The Group assesses whether there are any indicators of impairment for all non-financial assets at each reporting date. Goodwill embedded in the cost of acquisition of subsidiaries and other indefinite life intangibles, if any, are tested for impairment annually and at other times when such indicators exist. Other non-financial assets are tested for impairment when there are indicators that the carrying amounts may not be recoverable. When value in use calculations are undertaken, management must estimate the expected future cash flows from the asset or cash generating unit and choose a suitable discount rate in order to calculate the present value of those cash flows.

29) COMPARATIVE FIGURES

The corresponding figures presented for 2010 have been reclassified where necessary to preserve consistency with the 2011 figures. However, such reclassifications did not have any effect on the comprehensive income or the total equity for the comparative period.