WOQOD وقود

TOWARDS SUSTAINABLE GROWTH

ANNUAL REPORT 2013

Driving energy

www.woqod.com.qa

In The Name of Allah
The Most Gracious
The Most Merciful

His Highness
Sheikh Hamad Bin Khalifa Al Thani
Father Emir

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

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H.E. Mr. Abdullah Bin Hamad Al-Attiyah
WOQOD Chairman

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Mr. Hussain Mohammed Al-Ishaq
Member – Board of Directors

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

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

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

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

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

OUR PROFILE

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

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

INTRODUCTION

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

OUR VISION

“To be the leading petroleum products and related services marketing company in the region.”

OUR BRAND

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

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

OUR BRAND VALUES

PROFESSIONAL

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

SOLID

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

FRIENDLY

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

INNOVATIVE

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

ACCOUNTABLE

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

QUALITY POLICY

At Qatar Fuel (WOQOD), we 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.

WOQOD وقود
QMS
QUALITY MANAGEMENT SYSTEM

ENVIRONMENTAL POLICY

At Qatar Fuel (WOQOD) and affiliate companies, we 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.

وقود
WOQOD
نظام إدارة البيئة
ENVIRONMENTAL MANAGEMENT SYSTEM

LEADING innovation

CHAIRMAN'S MESSAGE

H.E. Mr. Abdullah Bin Hamad Al-Attiyah
Chairman of Qatar Fuel (WOQOD)

Dear Esteemed Shareholders and 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 11th annual report of the board of directors, which includes a brief overview of the Company's main achievments for the fiscal year 2013.

The year 2013 has witnessed a slight improvement in the global economy, although some developing countries are still suffering from the repercussions of the global financial crisis, which still overshadows many conflict-prone regions in the world to this date. Oil prices also maintained their previous average rates during this year.

As for Gulf Cooperation Council (GCC) countries in general, and for Qatar more specifically, the year 2013 was a continuation for the journey of economic growth; as all these countries were able to achieve positive economic growth rates, with Qatar achieving the highest rate among those –the growth rate in Qatar's GDP in 2013 is estimated to be 6%. In addition, 2013 has witnessed the completion of several infrastructure projects and the start of other huge projects in preparation for the World Cup 2022 and in pursuit of the Qatar National Vision 2030.

Qatar Fuel (WOQOD) was no exception in this regards. Its achievements and striking performance in the fiscal year 2013 were a continuation of its record of success and advancement. Major achievements and financial results for the mentioned year are summarized in here while additional details are included in WOQOD's annual report. At the financial level, the company has achieved a net profit of more than QR 1.216 billion for the financial year ending in 31/12/2013 with a growth rate of 5.75% compared to the year 2012.

In addition, and regardless of the increase in the capital in 2012 through the distribution of bonus shares at a rate of 25%, the Earnings Per Share (EPS) exceeded QR 18.72 in 2013 compared to QR 17.70 EPS in 2012.

Dear Shareholders and Distinguished Guests,

Based on the financial results achieved for this period, and on our expectations for developments in the global economy and their impact on the regional and international levels in the future, and in view of the company's future projects and plans, the Board of Directors is pleased to include within the agenda of your esteemed Assembly a recommendation to distribute cash dividends of QR 649,687,500 according to a rate of 100% of the value of the paid-up nominal capital, i.e. QR 10 per share, in addition to 30% bonus shares, i.e. 3 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 2014.

CHAIRMAN'S MESSAGE

Acknowledgment and Appreciation

In conclusion, I would like to seize this opportunity to express our deepest thanks and appreciation to His Highness Sheikh Tamim Bin Hamad Al Thani, the Emir of the State of Qatar, for his continued support and wise guidance of WOQOD, which had the greatest impact on the company's success and prosperity throughout the past years' journey.

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.

Wish you all the success;
May God's Mercy, Blessings and Peace be Upon You.

Abdullah Bin Hamad Al-Attiyah
Chairman of WOQOD

The Board of Directors while answering the inquiries of esteemed shareholders and distinguished guests during the previous General Assembly Meeting

BOARD OF DIRECTORS' REPORT

Mr. Mohammed Khalifa Turki Al-Sobai
Vice-Chairman and Managing Director

Dear Esteemed Shareholders:
I am pleased to present to you our detailed report on the most important achievements of the company and its financial results for the fiscal year 2013, in addition to the company's current and future projects, as follows:

Progress on Qatar Fuel (WOQOD) main projects:

I- Projects Executed by Qatar Fuel:

1- Stations completed and operated during the year 2013:

During the year 2013, Qatar Fuel (WOQOD) has successfully inaugurated and started operating 5 new stations as follows:

• WOQOD Rawdat Al-Hamama Petrol Station:
In May 2013 WOQOD inaugurated Rawdat Al-Hamama Petrol Station under the auspices of H.E Mr. Abdullah Bin Hamad Al-Attiyah Chairman of Administrative Control and Transparency Authority and Chairman of WOQOD. The inauguration saw the participation of the Vice Chairman and Managing Director of WOQOD, and several members of WOQOD board of directors, in addition to a representatives of municipal authorities, government dignitaries, and WOQOD employees.

The station is located at a strategic spot offering its services for the local community in Rawdat Al-Hamama and the adjacent areas, as well as travelers on the main north highway. It features special lane for fueling trucks with high-speed dispensers, in addition to regular fueling services and products (Gasoline and Diesel), LPG, and a large branch for Sidra convenience store providing the clients with all their daily needs. The station also comprises a playground for children with the highest degrees of safety and security.

WOQOD Rawdat Al-Hamama Station

The Inauguration of WOQOD Rawdat Al-Hamama Station in May 2013

Additionally the station includes a number of world-class fast food and gourmet restaurants, large dining halls and a special client lounge.

Large dining halls and lounges

Lube Workshop

• WOQOD The Pearl-Qatar Petrol Station:
WOQOD The Pearl-Qatar Petrol Station was inaugurated in November 2013 under the auspices of Mr. Mohammed Khalifa Turki Al-Sobai, Vice-Chairman and Managing Director of WOQOD, with the participation of several members of WOQOD board of directors, representatives from the United Development Company, the developer of The Pearl Island, a number of municipality and government dignitaries and WOQOD employees.

The new petrol station is the first and only station on the island. Covering a space of 4000 square meters, the station features a modern and attractive design that corresponds to the design language on the island, and it comprises a branch of Sidra stores, car wash facilities, lube and tires workshop in addition to the regular services provided by WOQOD modern petrol stations including all lines of petroleum products.

The Inauguration of WOQOD The Pearl-Qatar Station in November 2013

WOQOD The Pearl-Qatar Petrol Station

• WOQOD Mesaieed West Petrol Station:
WOQOD Mesaieed West petrol station was inaugurated in November 2013 under the auspices of Mr. Mohammed Khalifa Turki Al-Sobai, Vice-Chairman and Managing Director of WOQOD, with the participation of several members of WOQOD board of directors a number of local and government dignitaries and WOQOD employees.

The Mesaieed area is considered to be a popular tourist attraction due to its close proximity to the winter camping areas, where large numbers of citizens and residents go annually to enjoy the pristine beaches and seasonal camping.

The station offers all kinds of petroleum products featuring special lanes for big trucks equipped with high-speed dispensers, in addition to car wash facilities, lube workshop, tire bays and Sidra store branch.

Mesaieed West Petrol Station

The Inauguration of Mesaieed West Petrol Station in November 2013

BOARD
OF DIRECTORS' REPORT

On the company's activities, its financial results for the year 2013 and its future plans

• WOQOD Bu Samra Station:
This station was inaugurated in November 2013 under the auspices of Mr. Mohammed Khalifa Turki Al-Sobai, Vice-Chairman and Managing Director of WOQOD, with the participation of several members of WOQOD board of directors, a number of local and government dignitaries and WOQOD employees.

The new station is situated in a strategic location on the Qatari-Saudi borders, serving the local community as well as the travelers on Bu Samra road connecting Qatar to Saudi Arabia. The station includes vast traveler lounges, modern and sophisticated sanitation facilities, a large mosque and a Sidra store branch that provides most of the clients daily needs and serves hot meals. Moreover, the station offers all kinds of petroleum products including petrol, diesel and LPG, in addition to service workshops and all other products and services available at WOQOD's modern petrol stations.


WOQOD Bu Samra Station


The Inauguration of WOQOD Bu Samra Station in November 2013

• WOQOD Mesaieed North Station:
WOQOD inaugurated a new petrol station in North Mesaieed to cater to the needs of the local community as well as the visitors of the area.

The inauguration was under the auspices of Mr. Mohammed Bin Khalifa Turki Al-Sobai Vice Chairman and Managing Director of WOQOD, with the participation of several members of WOQOD board of directors, members of the local community and WOQOD employees.

The station covers a total space of 20,000 square meters and offers all kinds of petroleum products, car wash services, service workshop and other services. Due to its strategic location on the entrance to Mesiaeed city the station serves the city residents as well as visitors and campers passing by on their way to the popular camping sights close by.


WOQOD Mesaieed North Station


The Inauguration of WOQOD Mesaieed North Station in December 2013

2- Projects under construction and in tender phase:
Currently, there are 4 new stations under construction or in tender phase in Al-Gamiliya, Lusail, Al-Thekhira and Al-Wajba. The total space area of these stations varies between 8-14 thousand square meters and is projected to enter into operation during the second half of 2014.

3- Projects in design phase:
There are 5 stations currently in the design phase in the areas of Al-Qatifiyah, Hamad International Airport East, Hamad International Airport West, Al-Rayyan Al-Jaded and Um Ghraibiyah. The total space area of these stations varies between 5-10 thousand square meters and is projected to enter into operation by the end of 2014.

4- Expansion Plans for Existing Stations:
During the year 2013 WOQOD has proceeded with 5 expansion projects. Whereas the works for building a workers' residence and commercial stores at Al-Daayen Station has been completed, the works at Al-Hilal, Industrial Area, Muaither and Bu Feseela are in the final stages. WOQOD is also planning to commence 5 new expansion projects for Wadi Al-Banaat, West Bay, Mesaimeer East, Al-Gharrafa and Al-Sailiya stations, and they are projected to be completed during the year 2013.

5- Kingdom of Saudi Arabia Project:
All the required official permits from concerned authorities in the Kingdom of Saudi Arabia has been obtained and all designs and schematics are complete and ready, and we have contracted with a consulting firm in Saudi Arabia to oversee the construction work. Currently we are in the tendering phase to select a qualified construction company from the region to commence the construction. The first phase is projected to be completed during the year 2014.

6- (FAHES) Technical Inspection Projects:

- FAHES Al-Ma'amoura Project:
The works in this project has been completed during the year 2013, and the inspection center has been fitted out with all the necessary equipment and devices. Trial operations has started in preparation to finalizing the coordination and association with the Traffic Department in order to start the full operations by the first quarter of 2014.

- FAHES Wadi Al-Banat Project:
Construction has been completed and the center has been fitted out with all the necessary equipment and devices in preparation for the expected operation in the second quarter of 2014.

II- Projects executed by Qatar Petroleum for WOQOD
The majority of the projects that have been executed by Qatar Petroleum for WOQOD have been completed, with the exception of one project at its final stages, which is:

- 16-inch Pipeline to Transport JET-A1 Fuel:

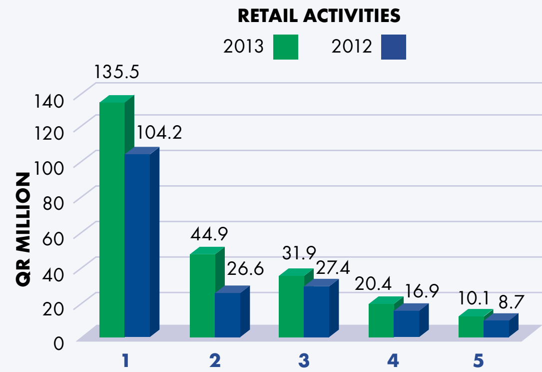
This project is being implemented in two phases. The first phase has been completed with the pipeline linking the refinery with Hamad International Airport, where the current 12-inch pipeline has been connected to the new 16-inch pipeline. The line was operated following the successful technical testing.

The second phase of the project involves the completion of the aforementioned 16-inch pipeline linking the refinery to Hamad International Airport and operating it at its fullest potential. The project is in the last stages of the tendering process where bids are being submitted and considered at Qatar Petroleum, before proceeding with implementation. This project is of high significance, as it provides JET-A1 fuel for aviation directly from the refinery to the new Airport, after being separated from Doha Depot. The project is projected to be completed by the opening date of Hamad International Airport during 2014.

III- Marketing Activities

III-1 Retail activities:
The year 2013 has witnessed a quantum leap in terms of the total revenue generated by retail activities offered at WOQOD stations and at SIDRA convenience stores outside these stations, as these revenues increased by 30%. Revenue from servicing and tires shops have ranked first in annual growth rates, growing by more than 69% in 2013, followed by Sidra stores which registered a growth rate of 30%, then manual car wash sales which registered a growth rate of 21%. The following chart presents retail activities by sector for the year 2013:

Retail Sales for the Year 2013



1. Sidra Convenience store
2. Workshops and tires
3. Oils & lubricants
4. Manual car wash
5. Automatic car wash

It should be noted that the services provided by Qatar Fuel (WOQOD) -especially oil/ maintenance shops- are increasingly on demand by customers, gaining their trust. Behind this are many factors, including the services' high quality levels and it being presented by specialized professional staff of high competency, not to mention the spotless work environment.


Providing highly professional services

BOARD OF DIRECTORS' REPORT

On the company's activities, its financial results for the year 2013 and its future plans

III-2 Butane Gas:

The year 2013 witnessed a high increase in the sales of Butane Gas, where the growth rates exceeded 15% in comparison with 2012 sales. The total Butane Gas sales increased during the concerned period from 92,435 metric tonnes to 106,746 metric tonnes. These sales were distributed as follows:

• Butane Gas Bulk Sales:
Butane Gas bulk sales increased by 28% during the year 2013 in comparison with 2012 sales, where the volume of 2013 sales exceeded 38,254 metric tonnes, i.e. 36% of total Butane Gas sales for the specified year, compared with an earlier 32% in 2012.

WOQOD is keen on adhering to the best of International safety standards in Butane Gas sales and distribution

The increase in Butane Gas bulk sales came as a result of infrastructure projects that has begun in early 2013, and of the increasing industrial demand for Butane Gas in the operations of many companies, including drilling and development activities.

The 2013 sales distribution according to the economic sectors came as follows [including comparison with sales from the earlier year]:

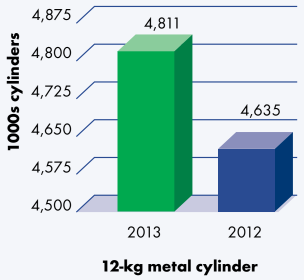
Butane Gas Sales by Economic Sectors [metric tonnes]:

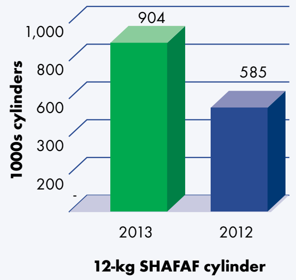
Sector	2013	2012	change
Domestic	734	717	2%
Commercial	25,030	21,836	15%
Industrial	12,490	7,283	72%
Total	38,254	29,835	28%

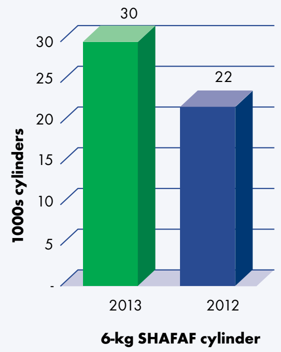
The table reflects a general increase in the sales of Butane Gas, in light of the huge increase in the population of Qatar. Official estimates indicate that the population size exceeded 2 millions in 2013, which has contributed to an increase in the demand for Butane Gas in its various forms and uses.

• Butane Gas Cylinders:
There are currently two types of Butane Gas cylinders in the Qatari market, the first metal with a 12 kg capacity, and the second is the transparent SHAFAF cylinder made of plastic polymers. SHAFAF cylinders come in 6kg and 12kg capacities. Regardless of keen efforts that have been made to replace metal cylinders refilled during the year with SHAFAF cylinders, sales of metal cylinders have registered a positive growth of more than 3% in 2013, with total sales exceeding 4.8 million cylinder, compared to 4.6 million in 2012. WOQOD had earlier adopted a plan to replace metal cylinders with SHAFAF cylinders, to be implemented gradually and with feasibility, in order not to stagger the local market; despite the fact that a large segment of clients have already moved to using SHAFAF instead of metal cylinders.

The following chart indicates the sales of metal and SHAFAF cylinders refilled during the years 2013:







The previous chart reflects the increase in the sales of 12kg SHAFAF cylinders that has been refilled throughout the year by 54% during the past year, recording a total of more than 904 thousand cylinders sold in 2013; whereas the volume of 6kg SHAFAF cylinders that were refilled throughout the year increased by 34% during the same year, with the sale of a total of 30 thousand cylinders.

• Natural Gas:
Natural gas is considered one of nature's most clean and eco-friendly energy sources, because it is sulfur-free.

SHAFAF Cylinder accompanies you in picnics and desert trips

One of WOQOD Stations for providing Compressed Natural Gas

WOQOD's participation in the natural gas conference

Qatar Petroleum is considered the owner and implementation authority while Qatar Fuel (WOQOD) is entitled with natural gas supply and management activities for the industrial units. Strict safety and security regulations are enacted through the implementation of relevant international standards adopted in the delivery of such services.

The network started operation at the end of 2012. The first beneficiary of this project's natural gas supply was the compressed gas project, which was inaugurated under the auspice of HE Minister of Energy and Industry Dr. Mohammed Al Sada and with the participation of Qatar Fuel WOQOD as the exclusive service provider.

It is worth noting here that major current uses of natural gas focus on providing clean energy for industrial units, especially those deploying thermal furnaces and food industry, with the always available potential of expanding future uses.

Additionally, Karwa transportation company put in service 60 new buses that operate on compressed natural gas. Another 20 companies have been registered in Qatar as companies that are implementing preparations for future uses of this product. The number is expected to increase over time.

III-3 Bitumen

Bitumen 60/70 sales have recorded a remarkable increase in 2013, with a growth rate of 52% against 2012 sales, registering a record sales volume of 69,783 metric tons in 2013.

This growth is considered a positive indication on the increased activity in the infrastructure development/construction sector, especially the new road network in Qatar and the government launching of several projects to meet the anticipated requirement demands of the World Cup and the Qatar National Vision 2030.


Enhanced Bitumen (polymer) in main roads

It is expected that the year 2014 will again witness a remarkable increase in Bitumen sales, where the Qatari Public Works Authority is set to start implementing its upcoming plan for road networks. These works are projected to continue until 2018, which suggest the potential request of large volumes of this product in the near future. Towards meeting this anticipated demand, WOQOD will be constructing expansion amenities for regular and enhanced Bitumen facilities in the Mesaieed area.

With regards to Enhanced Bitumen (Polymer), sales recorded a growth of 16%, thus reaching a total of 4,515 metric tonnes during 2013. It is expected that the sales will continue registering future growth, in light of the Public Works Authority adoption of the Enhanced Bitumen standards as provided by Qatar Fuel, following accreditation by the University of Texas A&M [for additional details, see the section on WOQOD's collaboration with the University of Texas A&M].

III-4 Lubricants

The volume of lubricant sales in 2013 registered a growth of more than 10% compared to last year, despite the fierce competition in the Qatari market with international companies including Shell, Total, Caltex, Castrol, and others. WOQOD lubricants were selected and entrusted by dealers of leading car manufacturers in Qatar, including BMW, Volvo, Mercedes, Scania, Renault, MAC, among others, who all use WOQOD lubricants currently in their workshops. WOQOD had also completed the arrangements for its network of dealers in Lebanon and Saudi Arabia to start operation in 2014; whereby it had already arrangements in place for the markets of UAE, Oman, Kuwait, Iraq and Yemen.

Additionally, WOQOD completed its plans to facilitate expansion in Lubricant distribution operations, through the construction of large tanks specific to this purpose, in addition to marketing programs that target increasing the number of oil changing workshops outside WOQOD's centers/stations, and exploring new markets.

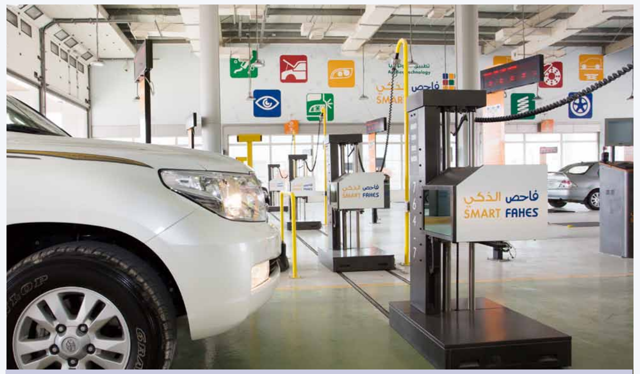

WOQOD oils and lubricants are of high international standards

IV. WOQOD Subsidiaries

IV-1. WOQOD Vehicles Inspection (FAHES)

FAHES فاحص

WOQOD Vehicles Inspection (FAHES) is the only company with the exclusive privilege and professional specialization in the field of vehicle inspection in Qatar. It is a wholly owned subsidiary of Qatar Fuel (WOQOD).


Pilot Operations for FAHES's new facilities


New FAHES Centre

In 2013, WOQOD continued its efforts towards further facilitation of the technical inspection process, through updating the deployed technology and simplifying unnecessary procedures, which led to a significant reduction in the time required for each inspection. This in turn has led to the dissolving of long waiting lines and decongestion of waiting halls, unlike earlier years. The total number of vehicles inspected during 2013 exceeded 463 thousand vehicles, compared to 418 thousand vehicles last year, i.e. an increase of 9.81%.

Additionally, and in the context of improving its services and expanding its geographic presence, WOQOD has managed to finish development works at two new centers for technical inspection, the first one in Mesaimeer area, and the second in Wadi Al-Banat area. These centers are to be officially inaugurated during the first quarter of 2014 in cooperation with a specialized French company. Two other centers are also being developed in the areas of Al Khor and Al Wakra. These two centers are still in the design and approvals stage, but they are expected to be completed by the end of 2014.

Besides these new fixed centers and those at WOQOD's headquarters in the Industrial area, there are four specialized mobile inspection stations in service. The operation of these stations covers the areas of Mesaimeer, Al Khor and Al Wakra. These portable stations are dedicated to the service of small vehicles, where as one external mobile station has been dedicated to the service of machinery and heavy trucks.

IV-2. WOQOD Marine

وقود البحرية
WOQOD MARINE

WOQOD Marine Services was established in 2009 to take over the responsibility of transporting petroleum products, including Bitumen, to and from local, regional and international ports. Today, the company owns a maritime fleet of five (5) tanker vessels with a total load capacity exceeding 50,000 tons; and the company's activities have expanded to include transport and delivery services to other local commercial companies. WOQOD Marine leases some of its vessels to commercial companies with operations covering areas as far as the northern region of the Chinese Yangtze River, besides the Arabian Gulf area.


One of WOQOD Marine ships

The year 2013 saw WOQOD Marine Services realize several significant achievements, summarized below as follows:

- All vessels passing the technical compliance requirement (Document of Compliance – DOC) by the Lloyds Specialized international Register in this regards.

- Revising and upgrading the regular maintenance schedules, at both the quantitative and qualitative levels; this contributed to lower maintenance costs and less of sudden failures/breakdowns.

- Achieving full adherence by the International Safety Measurements Code; this led to higher trust levels, especially on behalf of Gulf ports.

- Putting in place a system for attracting qualified professionals, especially Qatari citizens, with several privileges and benefits.

- Participating in many conferences and panels, including but not limited to, the international conference that was held by the WHO in Doha through cooperation with the Higher Council for Health in Qatar.

IV-3. WOQOD International:

وقود الدولية
WOQOD INTERNATIONAL

WOQOD International is a Limited Liability Company WLL established with the task of exploring and undertaking potential investment opportunities for the parent company, at regional and international levels. WOQOD Al Mamlaka [Kingdom i.e. in reference to KSA is a subsidiary of WOQOD International.]

IV-4. Q-Jet for Aviation Fuel:

Q-Jet for Aviation Fuel is the only company entrusted with the task of providing aviation fuel for the airplanes using Hamad International Airport (formerly Doha International Airport). The fuel provided is of commercial type Jet-A1, meeting international quality and safety standards. Q-Jet deals with a multitude of 60 airline companies that use Hamad International Airport, in addition to other service companies operating within the airport. Qatar Airlines Company enjoys the top priority among the list of the company's clientele.

Q-Jet is well equipped with modern hydraulic equipment

Q-Jet headquarters building at the new airport

In 2013, Q-Jet continued its preparation activities for relocating to Hamad International Airport. This relocation was set to take place earlier in 2013 but was delayed until 2014. The company had finished its logistic arrangements, whereby the new airport includes a pipes infrastructure for supplying jet fuels through a hydraulic system. Additionally, the new airport boosts an increased storage capacity, with the installation of new tanks with a capacity of more than 50 million liters. Special pumps were also installed for fuelling and cleaning. These tanks are fed through the direct pipeline connecting the refinery to the airport.

At the human resources level, 33 training sessions were organized during 2013. These sessions focused mainly on supply activities, safety, environment, and how to deal with the new system.

V. Administrative Affairs

The Administrative Affairs Department have continued its efforts of further developing the administrative structures through the company's restructuring project that have been ongoing throughout the past period in cooperation with a leading international company in this sector. Additionally, several cultural, social and sports events were organized during 2013. These include in brief:

1- Training:

• Training on Safety at the Offices and in the Work Place:
In July 2013, the Health, Safety and Environment Department (HSE) that is part of the Maintenance Department, organized in cooperation with the Administrative Affairs Department, a training course on safety at the offices and in the workplace. The training saw participation of around 20 employees from various WOQOD Departments, including WOQOD Tower, IT department, Butane operations units, maritime services, maintenance departments and the projects department.

The training session aimed at raising the participants' awareness about basic safety principles at the offices and about preparing a safe workplace, how to choose safety standards at work and how to deal with danger in cases of emergency.

Worth noting is that these training programs are accredited by the American Safety council, that is one of the leading accredited professional committees in the field of safety and health at the international level.

Workshop about Safety at the Offices and in the Work Place

• Training on Fire Fighting:
In July 2013, WOQOD Qatar organized a training course on fire fighting. The course was attended by about 140 employees from the retail operations at WOQOD's stations. The course was presented by the civil defense, and it aimed at training workers on firefighting mechanisms and what to do in emergency cases. By the end of 2013, the number of employees who had completed similar trainings was more than 500, who all had received training on how to extinguish fires, and how to deal with situations of breaking fire, and with modern firefighting equipment used today worldwide.

Fire fighting training session

• Training on Public Safety Control
In June 2013, the HSE Department at WOQOD organized a training course that was attended by 22 employees from the various WOQOD departments, including from Bitumen, FAHES Inspection Centres, and Ship Supplying facilities.

Training on Public Safety Control

The training course aimed at presenting the basic principles in how to perform inspection, and how to deal with potential dangers at the workplace, in addition to how to take precautions on such dangers before they occur, and how to deal with them once they occur.

• Training on Automatic Tank Gauging Systems:
In September 2013, the Procurement and Contracts Management organized a one day training on operating Automatic Tank Gauging System.

The course was organized in cooperation with the Administrative Affairs and the Marketing departments. It aimed at introducing the participants to new approaches in dealing with Automatic Tank Gauging Systems, and it was provided by Gilbarco, the sole provider of tank gauging systems. WOQOD Qatar is Gilbarco's exclusive agent of products. The training was attended by 19 employees, who were trained on how to manage, operate and maintain these advanced modern systems.

Training on Automatic Tank Gauging Systems

• Training on Maritime Security and Inspection:
WOQOD had participated in the training workshop that was organized by the World Health Organization (WHO) about vessel inspection and sanitation in November 2013. WOQOD was awarded a certificate of appreciation by the WHO. Additionally, a delegation from the WHO visited fuel vessel tanks at the Port of Mesaieed, examined the safety and security procedures and standards in place for managing the fuel vessel tanks and their operations, and gave their feedback.

Worth noting is that this workshop was organized by the Higher Council for Health in Qatar, and the WHO, in partnership with the EU. It was the first of its kind in the Gulf region, and it saw participation from 10 countries including Yemen, Iraq, Pakistan, and the GCC countries.

Training on Maritime Security and Inspection

• Training on how to deal with Bitumen
In December 2013, Qatar Fuel organized a training course on the best practices in dealing with Bitumen product, and on the needs within the Qatari road sector to this product.

The workshop discussed the technical requirements for transporting, storing and using Bitumen, namely temperature requirements (at least at 140 degrees Celsius), and the safety measurements that should be taken when dealing with this product and using it in infrastructure projects or other uses.

Training on Bitumen Products

2- Social, Sports and Cultural Events

• National Day
Qatar Fuel WOQOD is keen on active participation with celebrations of the Qatari National Day, that is observed on the 18th of December each year. WOQOD is one of the platinum sponsors of the national events and celebrations held at the national level. This year, Sidra stores chain participated in distributing flags, in addition to participation in other events celebrating this national event.

• Recruitment Events
Qatar Fuel WOQOD highly regards the Qatarization strategy and the company expresses keen interest in attracting highly qualified Qatari individuals, especially to the managerial positions. WOQOD Qatar is thus keen on participating in the various recruitment events held by official entities, with a special section that targets new graduates and jobseekers and introduces them to the careers available at WOQOD.

WOQOD at the 2013 Qatar Job Fair

• Environment Day
WOQOD Qatar believes highly in the value of protecting the local environment. In line with WOQOD's environmental strategy that was adopted throughout the past years, WOQOD participated in the Environment Day and distributed small seedlings, in addition to participation in forestation activities.

One of WOQOD's activities during the Environment Day

• Family Day
WOQOD has maintained since its establishment a tradition of organizing a recreational annual family day, for the employees and their families, where each year a trip is organized to one of the touristic resorts in Qatar. The event includes sports and cultural contests, where winners are presented with symbolic awards from the organizing committee.

Recreational Family Day

Emphasis on the Participation of Children in the activities

• Scholarships and Study/Travel Grants
Qatar Fuel WOQOD gives high priority to the issue of scholarship and travel/study grants, within the context of the Qatarization strategy that was adopted by the company with the target of increasing the Qatari labour force participation in the company to 50% by the end of 2016. Towards this end, the company granted travel/study grants to five employees during this year to pursue their Bachelor degree at British and French universities in areas that included: Engineering, Business Administration, Economics, and Law. The awardees are committed through a special employment contract to resume their job with WOQOD as soon as they graduate.

VI. Information Technology (IT)

During 2013, the Information Technology Department implemented several projects with the aim of further advancing the performance level of various WOQOD departments. The IT department had also conducted a comprehensive evaluation study for the company's needs in the near future. The IT department had achieved in brief the following during 2013:

- Completing the implementation of FAHES Smart Inspection Project in cooperation with the specialized French Company. Indeed, the first Quarter of 2013 saw the completion of the pilot operations onsite, as part of the preparations to the official launch in cooperation with the Traffic Authority during the first Quarter of 2014 as well.

- Completing the implementation of a telemetry automated monitoring system for the stock at all mobile depots of the company, under the umbrella of managing and controlling stock at these depots.

- Completing the implementation of the central e-payment system for a more convenient service to WOQOD clients. This system is being tested before putting it fully to operation.

- Upgrading the security systems for the company's electronic webs/nets.

- Connecting the new stations with the central systems, and installing sale systems (Oracle retail).

- Installing and upgrading security and surveillance cameras at all stations, new FAHES inspections centers, and at WOQOD tower.

VII. Quality Management System (QMS)

During the year 2013, Qatar Fuel WOQOD have maintained its efforts in updating and reviewing its policies and rules and regulations that should be adopted within the context of Quality Management System (QMS), with the aim of providing the service and/or product with the highest possible quality. In 2013, the rules and procedures of the ISO 9001-2008 and 14001-2004 were subject to revision to be renewed.

VIII. Corporate Social Responsibility and Collaboration with Scientific Institutions

1- WOQOD Qatar collaborates with University of Texas in the areas of research and exchange of expertise

In the context of cooperation with local institutions and research institutions, WOQOD Qatar has established a strategic partnership with Texas A&M University in areas related to scientific research and exchange of expertise, namely those related to Bitumen and its modified versions. Texas A&M University had conducted research on the enhanced Bitumen that is produced by WOQOD using polymers. This enhanced Bitumen had been adopted by the Public Works Authority in its various development projects, on the basis of the technical results proved by the University's research. In recognition of WOQOD's efforts in this area, a special delegation from the University visited the headquarters of WOQOD at Al-Dafna in December 2013. The delegation was headed by the Executive President, the Assistant Dean for Research Affairs and University Studies, and the Director of the Office for Strategic Partnerships and Alumni Affairs. The delegation met WOQOD's higher-level executive management, then presented to WOQOD a commemorative plaque in appreciation of the company's huge support for scientific research programs and academic programs at Texas A&M.

Bilateral Meetings between the two parties

Dr. Weichold, Dean of Texas A&M University, presents the Plaque to WOQOD

In this regards, Dr. Mark H. Weichold, Dean of the University of Texas A&M in Qatar, thanked Mr.

BOARD OF DIRECTORS' REPORT

On the company's activities, its financial results for the year 2013 and its future plans

Mohamed Turki Al-Sobai, WOQOD's Vice-Chairman and Managing Director, for the support of WOQOD, including logistic and technical support. On his part, Mr. Mohamed Turki Al-Sobai commended the efforts of Texas A&M University and its support to WOQOD in the area of research related to Bitumen and its applications; which had contributed to additional higher trust in WOQOD's products, especially among clients from the public sector who often need to use Bitumen (Public Works Authority). Mr. Mohamed Turki Al-Sobai noted the importance of Bitumen uses in Qatar's development projects, especially in extending the life expectancy of major roads and crossroads with high traffic volume, towards supporting and achieving Qatar's National Vision 2030. Both parties have reassured commitment towards continued collaboration to the better of both parties and the general public interest.

2- WOQOD hosts a delegation from Qatar University Students

As part of its belief in the necessary need for communication with national scientific institutions, and as part of its social responsibility, WOQOD hosted a delegation of Students from Qatar University. The student toured the Doha depot and learned about its activities and the various mechanisms of supplying the local Qatari market with petroleum products and other derivatives.

Qatar University Students during their visit to Doha Depot

IX. Operations

The Operations Department is the authority responsible for the transportation, storage and distribution of all the petroleum products marketed by WOQOD at the local market level. This is facilitated through a fleet of 850 tanks and semi-trailers/trailers. The Operations Department is also responsible for the management of the Doha Depot, where petroleum products are stored after being pumped from Qatar Petroleum's refinery at Mesaieed.

The year 2013 witnessed significant developments at both the quantitative and qualitative levels, that included a rise in the volume of marketing sales, and augmentation of the company's transport and distribution fleet. This is summarized as follows:

1- WOQOD sales of petroleum products
WOQOD sales of various petroleum products in 2013 recorded a positive growth of more than 12.3% compared to 2012 sales.

The current year [2013] had witnessed an increase in the sales of jet fuel by more than 16.8%, reaching a total of 2,256 million liters; followed by the increase in the sales of Diesel and Gasoline [super] by 10.8% for each. Sales of other products are detailed in the following table:

WOQOD Sales of Petroleum Products in 2013 (in million liters)

Product	2013	2012	change
Gasoline (regular)	814	759	7.3%
Gasoline (Super)	1109	1001	10.8%
Diesel	2274	2052	10.8%
Jet Fuel	2256	1934	16.8 %
Total	6453	5746	12.3%

As for the volume of Diesel sales, these also recorded a positive growth of more than 10%. This growth was driven primarily by local companies where 333 new accounts were created for new clients, who make their first purchases, and for the first time at such an unprecedented growth level of 16% compared to last year.

The distribution and delivery activities for the year 2013 are briefed as follows:

1- Reviewing the Doha depot expansion project in its second stage that is related to installing additional new tanks and parking lots for tanks/trucks.

2- Pilot operations for jet fuel gauging/pumping systems from Qatar Petroleum's refinery to the new Hamad International Airport. This has been successfully completed in March, July, August and October.

3- Running drilling evacuation exercises at the Port of Ras Laffan.

4- Organizing training session on First Aid, under the supervision of Hamad's International Training Center.

5- Organizing training sessions for civil defence at the Doha Depot.

6- Increasing the income from Diesel tank rentals, whose number increased by around 17% compared with last year; and providing clients with tank rental services or Diesel transportation. The number of tanks rented through this service exceeded 427 tanks, i.e. an increase by 17% from last year.

X. Financial Results

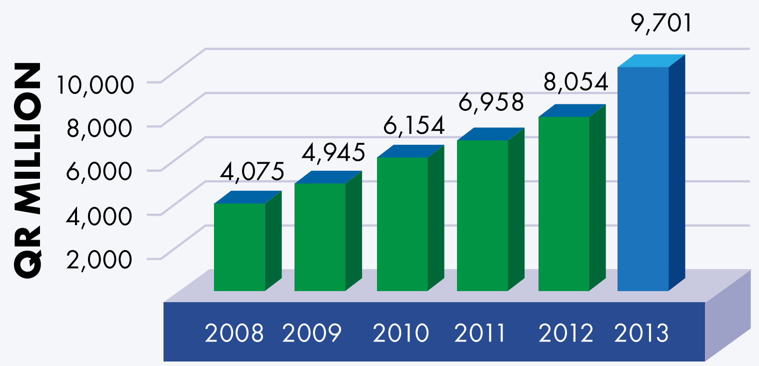
Qatar Fuel WOQOD have maintained its excellent profit growth rates throughout the past years, where the 2013 profits exceeded QAR 1.216 million, i.e. growth by 5.75% compared to last year profits. Additionally, the company's assets and equity increased significantly, where the average growth in reference to the total assets increased by 20.45% reaching QAR 9.7 billion Riyals, and the total equity increased by 15.47% thus exceeding QAR 6.3 billion Riyals. For additional details please refer to the financial statements attached to the Report.

In conclusion, Qatar Fuel WOQOD would like to extend its deepest thanks and gratitude to His Highness Sheikh Tamim Bin Hamad Al Thani, for the continued support of H.H. for WOQOD. We would also 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, public and private institutions and all the company employees and staff for their concerted efforts to serve the company and tangibly contribute to its development.

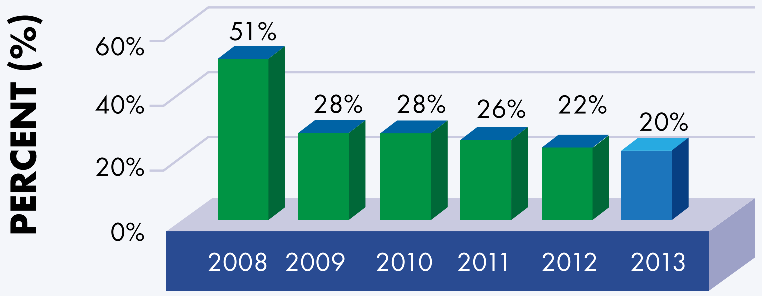
We promise you all, especially our esteemed shareholders, with more positive results yet to come in the future.

Mohammed Turki Al-Sobai
Vice - Chairman & Managing Director

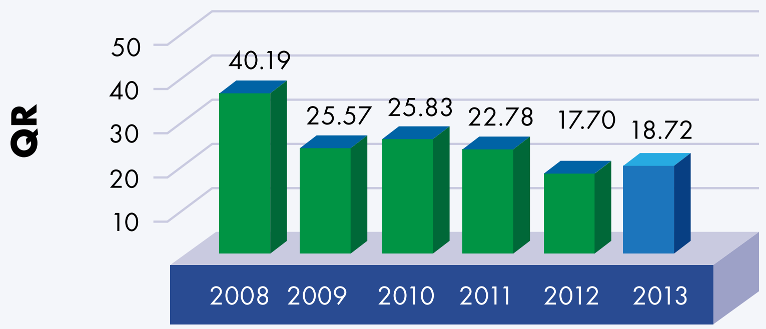
FINANCIAL HIGHLIGHTS



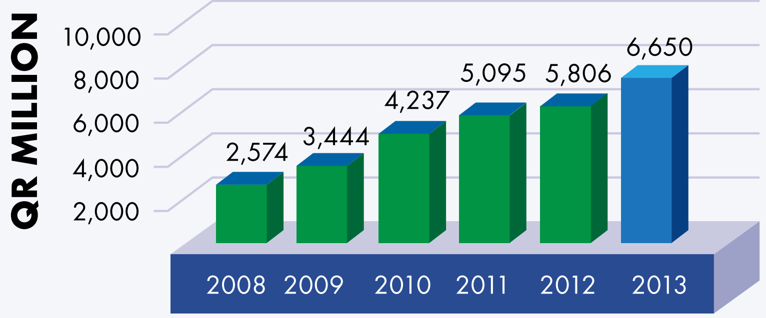
TOTAL ASSETS



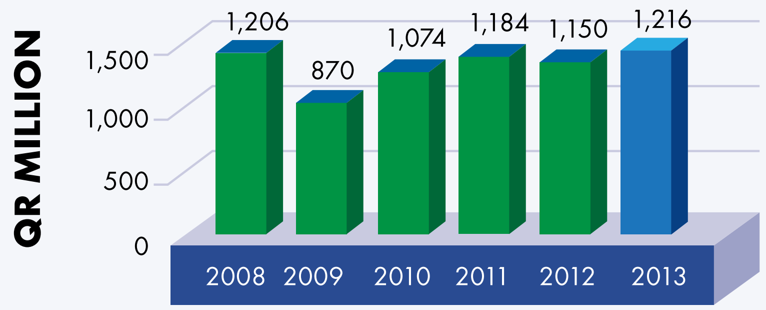
RETURN ON EQUITY



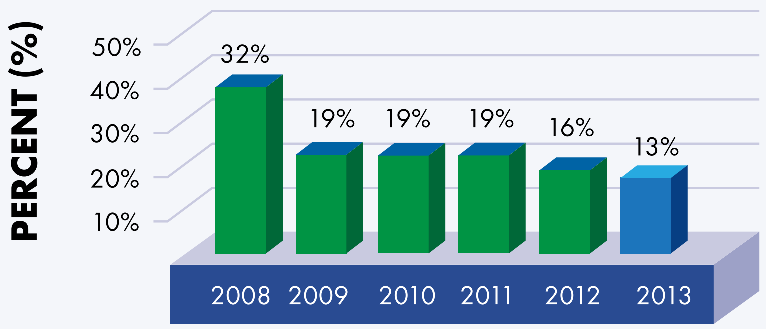
EARNINGS PER SHARE



TOTAL EQUITY



NET PROFIT (Parent)



RETURN ON ASSETS

INDEPENDENT AUDITOR'S REPORT

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF QATAR FUEL COMPANY Q.S.C

Report on the consolidated financial statements

We have audited the accompanying consolidated financial statements of Qatar Fuel Company Q.S.C ("Woqod") (the "Company"), and its subsidiaries (together referred to as the "Group"), which comprise the consolidated statement of financial position as at 31 December 2013, the consolidated statements of income, comprehensive income, changes in equity and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's responsibility for the consolidated financial statements

Management is 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 management 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 the auditor's judgment, 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, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity'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 financial position of the Group as at 31 December 2013, and of its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards.

Report on other legal and regulatory requirements

Furthermore, in our opinion proper books of account have been kept by the Group, an inventory count has been conducted in accordance with established principles, and the financial statements comply with the Qatar Commercial Companies' Law No. 5 of 2002 and the Company's Articles of Association. We further confirm that the financial information included in the Annual Report of the Board of Directors is in agreement with the books and records of the Group. We have obtained all the information and explanations we required for the purpose of our audit, and are not aware of any violations of the above mentioned law or the Articles of Association having occurred during the year which might have had a material effect on the business of the Group or on its financial position.

Ziad Nader
of Ernst & Young
Auditor's Registration No. 258

Date: 10 February 2014
Doha

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at 31 December 2013

	Notes	2013 QR	2012 QR
Non-current assets			
Property, plant and equipment	6	**1,535,199,953**	1,467,010,587
Available-for-sale financial assets	7	**990,366,636**	506,739,261
Goodwill	8	**132,935,132**	132,935,132
Total non-current assets		**2,658,501,721**	2,106,684,980
Current assets			
Inventories	9	**405,691,136**	249,859,920
Trade receivables	10	**2,599,436,584**	1,589,650,876
Prepayments and other receivables	11	**106,053,597**	148,639,502
Cash and bank balances	12	**3,931,443,425**	3,959,662,556
Total current assets		**7,042,624,742**	5,947,812,854
Total assets		**9,701,126,463**	8,054,497,834
Equity and liabilities			
Equity			
Share capital	13	**649,687,500**	519,750,000
Legal reserve	14	**386,768,034**	384,774,951
General reserve		**30,078,234**	30,078,234
Fair value reserve		**218,514,776**	33,325,769
Retained earnings		**5,068,414,028**	4,534,285,311
Equity attributable to equity holders of the parent		**6,353,462,572**	5,502,214,265
Non-controlling interest		**296,784,362**	303,820,045
Total equity		**6,650,246,934**	5,806,034,310
Non-current liabilities			
Employees' end of service benefits	15	**66,039,998**	55,134,716
Current liabilities			
Payables and accruals	16	**2,984,839,531**	2,193,328,808
Total liabilities		**3,050,879,529**	2,248,463,524
Total equity and liabilities		**9,701,126,463**	8,054,497,834

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 WOQOD

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

Mr. Khalil Hassan Makki
Finance Manager

The attached notes from 1 to 27 form an integral part of these consolidated financial statements.

ANNUAL REPORT 2013

CONSOLIDATED INCOME STATEMENT
For the year ended 31 December 2013

	Notes	2013 QR	2012 QR
Revenue	17	**12,857,334,052**	11,489,731,948
Cost of sales		**(10,950,270,872)**	(9,712,961,926)
Gross profit		**1,907,063,180**	1,776,770,022
Other operating income	18	**136,484,142**	137,541,602
General and administrative expenses	19	**(751,225,207)**	(666,377,113)
Impairment losses	20	**-**	(1,517,850)
Operating profit		**1,292,322,115**	1,246,416,661
Finance income		**39,843,708**	45,720,378
Profit for the year		**1,332,165,823**	1,292,137,039
Attributable to:			
Equity holders of the parent		**1,216,214,667**	1,150,260,720
Non-controlling interest		**115,951,156**	141,876,319
		1,332,165,823	1,292,137,039
Basic and diluted earnings per share			
(QR per share)	21	**18.72**	17.70

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
For the year ended 31 December 2013

	Note	2013 QR	2012 QR (Restated)
Profit for the year		**1,332,165,823**	1,292,137,039
Other comprehensive income (loss)			
Net gain (loss) on available-for-sale financial assets	7	**192,202,168**	(17,019,156)
Total comprehensive income for the year		**1,524,367,991**	1,275,117,883
Attributable to:			
Equity holders of the parent		**1,401,403,674**	1,133,831,192
Non-controlling interest		**122,964,317**	141,286,691
		1,524,367,991	1,275,117,883

The attached notes from 1 to 27 form an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
For the year ended 31 December 2013

	Equity attributable to equity holders of the parent							
	Share capital QR	**Legal reserve QR**	**General reserve QR**	**Fair value reserve QR**	**Retained earnings QR**	**Total QR**	**Non-controlling interest QR**	**Total equity QR**
Balance at 1 January 2013	519,750,000	384,774,951	30,078,234	33,325,769	4,534,285,311	5,502,214,265	303,820,045	5,806,034,310
Comprehensive income for the year								
Profit for the year	-	-	-	-	1,216,214,667	1,216,214,667	115,951,156	1,332,165,823
Net change in fair value of available-for-sale financial assets	-	-	-	185,189,007	-	185,189,007	7,013,161	192,202,168
Total comprehensive income for the year	-	-	-	185,189,007	1,216,214,667	1,401,403,674	122,964,317	1,524,367,991
Issue of bonus shares (Note 13)	129,937,500	-	-	-	(129,937,500)	-	-	-
Cash dividends paid for 2012 (Note 22)	-	-	-	-	(519,750,000)	(519,750,000)	(130,000,000)	(649,750,000)
Contribution to social and sports fund	-	-	-	-	(30,405,367)	(30,405,367)	-	(30,405,367)
Transfer to legal reserve (Note 14)	-	1,993,083	-	-	(1,993,083)	-	-	-
	129,937,500	**1,993,083**	**-**	**-**	**(682,085,950)**	**(550,155,367)**	**(130,000,000)**	**(680,155,367)**
Balance at 31 December 2013	**649,687,500**	**386,768,034**	**30,078,234**	**218,514,776**	**5,068,414,028**	**6,353,462,572**	**296,784,362**	**6,650,246,934**

	Equity attributable to equity holders of the parent							
	Share capital QR	Legal reserve QR	General reserve QR	Fair value reserve QR	Retained earnings QR	Total QR	Non-controlling interest QR	Total equity QR
Balance at 1 January 2012	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
Comprehensive income for the year								
Profit for the year	-	-	-	-	1,150,260,720	1,150,260,720	141,876,319	1,292,137,039
Net change in fair value of available-for-sale financial assets	-	-	-	(16,429,528)	-	(16,429,528)	(589,628)	(17,019,156)
Total comprehensive income for the year	-	-	-	(16,429,528)	1,150,260,720	1,133,831,192	141,286,691	1,275,117,883
Issue of bonus shares (Note 13)	103,950,000	-	-	-	(103,950,000)	-	-	-
Cash dividends 2011 (Note 22)	-	-	-	-	(415,800,000)	(415,800,000)	(120,000,000)	(535,800,000)
Contribution to social and sports fund	-	-	-	-	(28,756,519)	(28,756,519)	-	(28,756,519)
Transfer to legal reserve (Note 14)	-	1,943,159	-	-	(1,943,159)	-	-	-
	103,950,000	1,943,159	-	-	(550,449,678)	(444,556,519)	(120,000,000)	(564,556,519)
Balance at 31 December 2012	519,750,000	384,774,951	30,078,234	33,325,769	4,534,285,311	5,502,214,265	303,820,045	5,806,034,310

The attached notes from 1 to 27 form an integral part of these consolidated financial statements.

	Notes	2013 QR	2012 QR
OPERATING ACTIVITIES			
Profit for the year		**1,332,165,823**	1,292,137,039
Adjustments for:			
Depreciation	6	**141,199,867**	124,171,186
Finance income		**(39,843,708)**	(45,720,378)
Impairment loss of property, plant and equipment	20	**-**	1,517,850
Allowance for doubtful receivables	10	**76,524**	-
Loss on sale of property, plant and equipment		**284,237**	-
Provision for employees' end of service benefits	15	**15,462,855**	13,511,225
		1,449,345,598	1,385,616,922
Working capital adjustments:			
Trade receivables		**(1,009,664,673)**	117,825,979
Prepayments and other receivables		**38,971,430**	(49,568,548)
Inventories		**(155,831,216)**	356,613
Due from related parties		**(197,558)**	(1,479,058)
Due to a related party		**726,124,430**	673,855,518
Payable and accruals		**34,980,925**	(39,964,511)
Cash from operations		**1,083,728,936**	2,086,642,915
End of service benefits paid	15	(4,557,573)	(2,361,688)
Interest received		43,458,183	47,080,176
Net cash from operating activities		**1,122,629,546**	2,131,361,403
INVESTING ACTIVITIES			
Proceeds from sale of property, plant and equipment		2,711,384	-
Purchase of property, plant and equipment	6	(212,384,854)	(235,465,789)
Purchase of available-for-sale financial assets	7	(291,425,207)	(149,757,639)
Net cash flows used in investing activities		**(501,098,677)**	(385,223,428)
FINANCING ACTIVITIES			
Dividends paid to equity holders of the parent	22	(519,750,000)	(415,800,000)
Dividends paid to non-controlling interest by a subsidiary		(130,000,000)	(120,000,000)
Net cash flows used in financing activities		**(649,750,000)**	(535,800,000)
NET (DECREASE) / INCREASE IN CASH AND CASH EQUIVALENTS		**(28,219,131)**	1,210,337,975
Cash and cash equivalents at 1 January		3,959,662,556	2,749,324,581
CASH AND CASH EQUIVALENTS AT 31 DECEMBER	12	**3,931,443,425**	3,959,662,556

The attached notes from 1 to 27 form an integral part of these consolidated financial statements.

1 - CORPORATE INFORMATION AND PRINCIPAL ACTIVITIES

Qatar Fuel Company 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 Company is listed in Qatar Stock Exchange. The address of the registered office of the Company is at PO Box 7777, WOQOD Tower , West Bay, Doha, State of Qatar.

The principal activities of the Parent along with its subsidiaries ("the Group") are the sale, marketing and distribution of Liquefied Probane Gas, gas and refined petroleum products, which are refined by and transferred from Qatar Petroleum, vehicle inspection services, marine bunkering, transportation activities of oil and gas between the ports and real estate services. The Group operates in the State of Qatar through its lines of business. The Group also established WOQOD International which is a limited liability company established to undertake foreign investments for the parent company. WOQOD Kingdom is a subsidiary of WOQOD International and has recently undertaken a project to establish petrol stations and commercial spaces in the Kingdom of Saudi Arabia.

The consolidated financial statements of the Group were authorized for issue in accordance with a resolution of the Board of Directors on 10 February 2014.

2 - BASIS OF PREPARATION AND CONSOLIDATION

2.1 Basis of preparation

The consolidated financial statements of the Group have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB), IFRS Interpretations Committee (IFRIC) and the applicable requirements of Qatar Commercial Companies' Law No. 5 of 2002.

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.

The consolidated financial statements are presented in Qatari Riyals, which is the Group's functional and presentational currency and all values are rounded to the nearest Qatari Riyal, except when otherwise indicated.

2.2 Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at 31 December 2013.

Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

- Power over the investee
- Exposure, or rights, to variable returns from its involvement with the investee, and
- The ability to use its power over the investee to affect its returns.

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the statement of comprehensive income from the date the Group gains control until the date the Group ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Group and to the non-controlling interest, even if this results in the non-controlling interest having a deficit balance. These consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full upon consolidation.

Subsidiaries are consolidated from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date when such control ceases. The financial statements of the subsidiaries are prepared for the same reporting period as the parent company, using consistent accounting policies. All intra-group balances, transactions, unrealized gains and losses resulting from intra-group transactions and dividends are eliminated in full on the consolidated financial statements.

Where the ownership of a subsidiary is less than 100% and, therefore, a non-controlling interest (NCI) exists, the NCI is allocated its share of the total comprehensive income of the period, even if that results in a deficit balance.

The Group's major subsidiaries included in these consolidated financial statements are:

Name of the company	*Country of incorporation*	*Shareholding interest*
Qatar Jet Fuel Company W.L.L.	State of Qatar	60%
WOQOD Vehicle Inspection Company ("FAHES") S.O.C.	State of Qatar	100%
WOQOD Marine Services Company S.O.C.	State of Qatar	100%
WOQOD International Company S.O.C.	State of Qatar	100%
WOQOD Kingdom Company S.O.C.	Kingdom of Saudi Arabia	100%
Ard Al Khaleej Real Estate S.O.C.	State of Qatar	100%

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:

- Derecognizes the assets (including goodwill) and liabilities of the subsidiary
- Derecognizes the carrying amount of any non-controlling interest
- Derecognizes the cumulative translation differences, recorded in equity
- Recognizes the fair value of the consideration received
- Recognizes the fair value of any investment retained
- Recognizes any surplus or deficit in profit or loss
- Reclassifies the parent's share of components previously recognized in other comprehensive income to profit or loss or retained earnings, as appropriate.

3 - NEW STANDARDS AND INTERPRETATIONS

3.1 NEW AND AMENDED IFRS AND IFRIC INTERPRETATIONS ISSUED UP TO 31 DECEMBER 2013

The accounting policies used in the preparation of the consolidated financial statements are consistent with those used in the preparation of the consolidated financial statements for the year ended 31 December 2012, except for the adoption of new and amended standards and interpretations effective as at 1 January 2013 as noted below:

IAS 1 Presentation of Items of Other Comprehensive Income – Amendments to IAS 1
The amendments to IAS 1 change the grouping of items presented in OCI. Items that could be reclassified (or 'recycled') to profit or loss at a future point in time would be presented separately from items that will never be reclassified. The amendment has no impact on the Group's financial position or performance.

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IAS 19 Employee Benefits (Revised)
The IASB has issued numerous amendments to IAS 19. These range from fundamental changes such as removing the corridor mechanism and the concept of expected returns on plan assets to simple clarifications and re-wording. These amendments has no impact the Group's financial position or performance.

IAS 28 Investments in Associates and Joint Ventures (as revised in 2011)
As a consequence of the new IFRS 11 Joint Arrangements, and IFRS 12 Disclosure of Interests in Other Entities, IAS 28 Investments in Associates, has been renamed IAS 28 Investments in Associates and Joint Ventures, and describes the application of the equity method to investments in joint ventures in addition to associates. This amendment does not have any impact on the Group's consolidated financial statements.

IFRS 7 Disclosures — Offsetting Financial Assets and Financial Liabilities - Amendments to IFRS 7
These amendments require an entity to disclose information about rights to set-off financial instruments and related arrangements (e.g., collateral agreements). The disclosures would provide users with information that is useful in evaluating the effect of netting arrangements on an entity's financial position. The new disclosures are required for all recognised financial instruments that are set off in accordance with IAS 32 Financial Instruments: Presentation. The disclosures also apply to recognised financial instruments that are subject to an enforceable master netting arrangement or similar agreement, irrespective of whether they are set off in accordance with IAS 32. These amendments will not impact the Group's financial position or performance.

IFRS 10: Consolidated Financial Statements
IFRS 10 replaces the portion of IAS 27 Consolidated and Separate Financial Statements that addresses the accounting for consolidated financial statements. It also addresses the issues raised in SIC-12 Consolidation — Special Purpose Entities. IFRS 10 establishes a single control model that applies to all entities including special purpose entities. The changes introduced by IFRS 10 will require management to exercise significant judgment to determine which entities are controlled and therefore are required to be consolidated by a parent, compared with the requirements that were in IAS 27. At the date of initial application of IFRS 10 (1 January 2013), the Group assessed that it controls its subsidiaries as per IFRS 10.

IFRS 11 Joint Arrangements (Effective for annual periods beginning on or after 1 January 2013)
IFRS 11 replaces IAS 31 Interests in Joint Ventures and SIC-13 Jointly-controlled Entities — Non-monetary Contributions by Venturers. IFRS 11 removes the option to account for jointly controlled entities (JCE's) using proportionate consolidation. Instead, JCEs that meet the definition of a joint venture must be accounted for using the equity method. This amendment did not have any impact on the Group's consolidated financial statement.

IFRS 12 Disclosure of Interests in Other Entities
IFRS 12 includes all of the disclosures that were previously in IAS 27 related to consolidated financial statements, as well as all of the disclosures that were previously included in IAS 31 and IAS 28. These disclosures relate to an entity's interests in subsidiaries, joint arrangements, associates and structured entities. A number of new disclosures are not required as the Company has no subsidiaries with material non-controlling interests.

IFRS 13 Fair Value Measurement
IFRS 13 establishes a single source of guidance under IFRS for all fair value measurements. IFRS 13 does not change when an entity is required to use fair value, but rather provides guidance on how to measure fair value under IFRS when fair value is required or permitted. IFRS 13 defines fair value as an exit price. As a result of the guidance in IFRS 13, the Group re-assessed its policies for measuring fair values. IFRS 13 also requires additional disclosures. Application of IFRS 13 has not materially impacted the fair value measurements of the Group.

Improvements included but do not have any impact on financial position and performance:

- **IAS 1 Presentation of Financial Statements**

This improvement clarifies the difference between voluntary additional comparative information and the minimum required comparative information. Generally, the minimum required comparative information is the previous period.

• IAS 16 Property plant and equipment
This improvement clarifies that major spare parts and servicing equipment that meet the definition of property, plant and equipment are not inventory.

• IAS 32 Financial Instruments, Presentation
This improvement clarifies that income taxes arising from distributions to equity holders are accounted for in accordance with IAS 12 Income Taxes.

The standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Group's financial statements are disclosed below. The Group intends to adopt these standards, if applicable, when they become effective.

Topic	Effective date
IFRS 9 Financial Instruments (Phases 1 & 2)	-
Investment Entities (Amendments to IFRS 10, IFRS 12 and IAS 27)	1 January 2014
IAS 32 Offsetting Financial Assets and Financial Liabilities - Amendments to IAS 32	1 January 2014
IFRIC Interpretation 21 Levies (IFRIC 21)	1 January 2014
IAS 39 Novation of Derivatives and Continuation of Hedge Accounting – Amendments to IAS 39	1 January 2014

4 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Business combinations and goodwill
Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred measured at acquisition date fair value and the amount of any non-controlling interest in the acquiree. For each business combination, the Group elects whether to measure the non-controlling interest in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred and included in general and administrative expenses.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date.

If the business combination is achieved in stages, the previously held equity interest is remeasured at its acquisition date fair value and any resulting gain or loss is recognized in profit or loss.

Any contingent consideration to be transferred by the acquirer will be recognized at fair value at the acquisition date. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of IAS 39 Financial Instruments: Recognition and Measurement, is measured at fair value with changes in fair value recognized either in profit or loss or as a change to other comprehensive income. If the contingent consideration is not within the scope of IAS 39, it is measured in accordance with the appropriate IFRS. Contingent consideration that is classified as equity is not remeasured and subsequent settlement is accounted for within equity.

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Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognized for non-controlling interest over the net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the gain is recognized in profit or loss.

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

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

Foreign currencies
Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in the consolidated income statement.

Changes in the fair value of monetary securities denominated in foreign currency classified as available for sale are analysed between translation differences resulting from the changes in the amortised cost of the security and other changes in the carrying amount of the security. Translation differences related to changes in amortised cost are recognised in profit or loss, and other changes in carrying amount are recognised in other comprehensive income.

Translation differences on non-monetary financial assets, such as equities classified as available for sale, are included in other comprehensive income.

Revenue recognition
Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duty. The Group assesses its revenue arrangements against specific criteria to determine if it is acting as principal or agent. The Group has concluded that it is acting as a principal in all of its revenue arrangements. The specific recognition criteria described below must also be met before revenue is recognized.

Sale of refined oil and gas products and other goods
Revenue from the sale of goods is recognized when the significant risks and rewards of ownership of the goods have passed to the buyer, usually on delivery of the goods.

Within its retail business, the Group operates in the sale of refined oil and gas products which is measured at the fair value of the consideration received or receivable, net of returns, trade discounts and volume rebates.

Rendering of services
Revenue from services rendered recognised in the profit and loss by reference to providing of inspection services to the customers.
The Group provides the services of vehicles inspection and other vehicles petrol stations services.

Interest income
For all financial instruments measured at amortized cost and interest bearing financial assets classified as available for sale, interest income is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset or liability. Interest income is included in finance income in the consolidated income statement.

Dividends
Revenue is recognized when the Group's right to receive the payment is established, which is generally when shareholders approve the dividend.

Rental income
Rental income arising from operating leases on investment property is accounted for on a straight-line basis over the lease term and is included in revenue due to its operating nature.

Government grants
Government grants are recognized where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognized as income on a systematic basis over the periods that the costs, which it is intended to compensate, are expensed. When the grant relates to an asset, it is recognized as income in equal amounts over the expected useful life of the related asset.

When the Group receives government grants, it may take the form of a transfer of a non-monetary asset, such as land or other resources, for the use of the entity. In these circumstances it is usual to assess the fair value of the non-monetary asset and to account for both grant and asset at that fair value. An alternative course that is sometimes followed is to record both asset and grant at a nominal amount.

Property, plant and equipment
Property, plant and equipment are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of replacing part of the property, plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of property, plant and equipment are required to be replaced at intervals, the Group recognizes such parts as individual assets with specific useful lives and depreciates them accordingly.

Depreciation is calculated on a straight-line basis over the estimated useful lives of the assets as follows:

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

Major maintenance, inspection and repairs
Expenditure on major maintenance refits, inspections or repairs comprises the cost of replacement assets or parts of assets, inspection costs and overhaul costs. (including the major inspection programs performed by the Group on the marine vessels). Where an asset or part of an asset, that was separately depreciated and is now written off, is replaced and it is probable that future economic benefits associated with the item will flow to the Group, the expenditure is capitalized. Where part of the asset replaced was not separately considered as a component and therefore not depreciated separately, the replacement value is used to estimate the carrying amount of the replaced asset(s) which is immediately written off. Inspection costs associated with major maintenance programmers are capitalized and amortized over the period to the next inspection. All other day-to-day repairs and maintenance costs are expensed as incurred.

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Inventories
Inventories are stated at the lower of cost and net realisable value, inventories are stated at weighted average cost with appropriate adjustments for provisions against surplus inventory, deterioration, obsolescence or other loss in value. Inventories comprise fuel products, spare parts and consumables as at the reporting date.

Trade receivables
Trade receivables are amounts due from customers in the ordinary course of business. If collection is expected in one year or less, they are classified as current assets. If not, they are presented as non-current assets.

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment, (if any).

Cash and cash equivalents
Cash and cash equivalents in the consolidated statement of cash flows comprise cash, bank balances and short-term deposits with an original maturity of ninety days or less.

Leases
The determination of whether an arrangement is, or contains, a lease is based on the substance of the arrangement at the inception date. The arrangement is assessed for whether fulfillment of the arrangement is dependent on the use of a specific asset or assets or the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

Group as a lessee
Operating lease payments are recognized as an operating expense in the consolidated income statement on a straight-line basis over the lease term.

Group as a lessor
Leases in which the Group does not transfer substantially all the risks and benefits of ownership of an asset are classified as operating leases. Initial direct costs incurred in negotiating an operating lease are added to the carrying amount of the leased asset and recognized over the lease term on the same basis as rental income. Contingent rents are recognized as revenue in the period in which they are earned.

Impairment of non-financial assets (excluding goodwill)
The Group assesses at each reporting date whether there is an indication that an asset (or CGU) may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's or CGU's recoverable amount. The recoverable amount is the higher of an asset's or CGU's fair value less costs to sell (FVLCS) and value in use (VIU). The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets, in which case, the asset is tested as part of a larger CGU to it belongs. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset/CGU is considered impaired and is written down to its recoverable amount.

In calculating VIU, 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/CGU. In determining FVLCS, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

Goodwill
Goodwill is tested for impairment annually as at 31 December and when circumstances indicate that the carrying value may be impaired.

Impairment is determined for goodwill by assessing the recoverable amount of each CGU (or group of CGUs) to which the goodwill relates. When the recoverable amount of the CGU is less than its carrying amount, an impairment loss is recognized. Impairment losses relating to goodwill cannot be reversed in future periods.

Financial instruments - initial recognition and subsequent measurement

Financial assets

Initial recognition and measurement
Financial assets within the scope of IAS 39 are classified as financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments, available-for-sale financial assets, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. The Group determines the classification of its financial assets at initial recognition.

All financial assets are recognized initially at fair value plus transaction costs, except in the case of financial assets recorded at fair value through profit or loss.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognized on the trade date.

The Group's financial assets include cash and short-term deposits, trade and other receivables, loan and other receivables and quoted and unquoted financial instruments.

Subsequent measurement
The subsequent measurement of financial assets depends on their classification as described below:

Loans and receivables
Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities of greater than 12 months after the end of the reporting period. These are classified as non-current assets. The group's loans and receivables comprise "trade and other receivables" and "cash and cash equivalents" in the statement of financial position.

Available-for-sale financial assets
Available-for-sale financial assets include equity investments. Equity investments classified as available for sale are those that are neither classified as held for trading nor designated at fair value through profit or loss.

After initial measurement, available-for-sale financial assets are subsequently measured at fair value with unrealized gains or losses recognized as other comprehensive income in the fair value reserve until the investment is derecognized, at which time the cumulative gain or loss is recognized in other operating income, or the investment is determined to be impaired, when the cumulative loss is reclassified from the fair value reserve to the consolidated income statement. Interest earned whilst holding available-for-sale financial assets is reported as interest income using the EIR method.

The Group evaluates whether the ability and intention to sell its available-for-sale financial assets in the near term is still appropriate. When, in rare circumstances, the Group is unable to trade these financial assets due to inactive markets and management's intention to do so significantly changes in the foreseeable future, the Group may elect to reclassify these financial assets. Reclassification to loans and receivables is permitted when the financial assets meet the definition of loans and receivables and the Group has the intent and ability to hold these assets for the foreseeable future or until maturity. Reclassification to the held to maturity category is permitted only when the entity has the ability and intention to hold the financial asset accordingly.

For a financial asset reclassified from the available-for-sale category, the fair value carrying amount at the date of reclassification becomes its new amortized cost and any previous gain or loss on the asset that has been recognized in equity is amortized to profit or loss over the remaining life of the investment using the EIR. Any difference between the new amortized cost and the maturity amount is also amortized over the remaining life of the asset using the EIR. If the asset is subsequently determined to be impaired, then the amount recorded in equity is reclassified to the consolidated income statement.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the asset is recognized to the extent of the Group's continuing involvement in the asset. In that case, the Group also recognizes an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained. Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

Impairment of financial assets
The Group assesses, at each reporting date, whether there is objective evidence that a financial asset or a group of financial assets is impaired. A financial asset or a group of financial assets is deemed to be impaired if there is objective evidence of impairment as a result of one or more events that has occurred since the initial recognition of the asset (an incurred 'loss event') and that loss event has an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated. Evidence of impairment may include indications that the debtors or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganization and observable data indicating that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

Available for sale financial assets
For available-for-sale financial investments, the Group assesses at each reporting date whether there is objective evidence that an investment or a group of investments is impaired.

In the case of equity investments classified as available-for-sale, objective evidence would include a significant or prolonged decline in the fair value of the investment below its cost. 'Significant' is evaluated against the original cost of the investment and 'prolonged' against the period in which the fair value has been below its original cost. When there is evidence of impairment, the cumulative loss - measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that investment previously recognized in the consolidated income statement - is removed from other comprehensive income and recognized in the consolidated income statement. Impairment losses on equity investments are not reversed through profit or loss; increases in their fair value after impairment are recognized directly in other comprehensive income.

Future interest income continues to be accrued based on the reduced carrying amount of the asset, using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss. The interest income is recorded as part of finance income. If, in a subsequent year, the fair value of a debt instrument increases and the increase can be objectively related to an event occurring after the impairment loss was recognized in the consolidated income statement, the impairment loss is reversed through the consolidated income statement.

Financial liabilities

Initial recognition and measurement
Financial liabilities within the scope of IAS 39 are classified as financial liabilities at fair value through profit or loss, loans and borrowings, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. The Group determines the classification of its financial liabilities at initial recognition.

All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings, net of directly attributable transaction costs.

The Group's financial liabilities include trade and other payables.

Financial guarantee contracts
Financial guarantee contracts issued by the Group are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognized initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the best estimate of the expenditure required to settle the present obligation at the reporting date and the amount recognized less cumulative amortization.

Derecognition
A financial liability is derecognized when the obligation under the liability is discharged or cancelled, or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognation of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the consolidated income statement.

Offsetting of financial instruments
Financial assets and financial liabilities are offset and the net amount is reported in the consolidated statement of financial position if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

Fair value of financial instruments
The fair value of financial instruments that are traded in active markets at each reporting date is determined by reference to quoted market prices or dealer price quotations (bid price for long positions and ask price for short positions), without any deduction for transaction costs.

For financial instruments not traded in an active market, the fair value is determined using appropriate valuation techniques. Such techniques may include:

• Using recent arm's length market transactions
• Reference to the current fair value of another instrument that is substantially similar:
• A discounted cash flow analysis or other valuation models

Provisions
Provisions are recognized when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Group expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognized as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the consolidated income statement net of any reimbursement.

Employees' benefits
End of service benefits are accrued in accordance with the terms of employment of the Group's employees at the consolidated statement of financial position date, having regard to the requirements of the Qatar Labor Law No. 14 of 2004 as amended. Employee entitlements to annual leave and leave passage are recognized when they accrue to employees and an accrual is made for the estimated liability arising as a result of services rendered by employees up to the consolidated statement of financial position date. These accruals are included in current liabilities, while that relating to end of service benefits is disclosed as a non-current liability.

Contributions to the General Retirement and Social Insurance Authority for Qatari employees in accordance with the Qatari Social Insurance Law 2009 are recognized as an expense in the consolidated statement of income as incurred.

Earnings per share
Basic earnings per share amounts are calculated by dividing the net profit for the year attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares outstanding during the year. Diluted earnings per share amounts are calculated by dividing the net profit attributable to ordinary equity holders of the parent (after adjusting for interest on the convertible preference shares) by the weighted average number of ordinary shares outstanding during the year plus the weighted average number of ordinary shares that would be issued on conversion of all the dilutive potential ordinary shares into ordinary shares.

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

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.

5 - SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of the Group's consolidated financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

Judgements
In the process of applying the Group's accounting policies, management has made the following judgements, Which have the most significant effect on the amounts recognised in the consolidated financial statements:

Operating lease commitments

Group as lessor:
The Group has entered into different operating lease agreements under various lines of business as indicated below

a. Commercial spaces at the Petrol stations,
b. Diesel tanks for the local, joint ventures and international customers.
c. 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).

The Group has determined, based on an evaluation of the terms and conditions of the arrangements, such as the lease term not constituting a substantial portion of the economic life of the property, that it retains all the significant risks and rewards of ownership of these properties and accounts for the contracts as operating leases.

Contingencies
By their nature, contingencies will only be resolved when one or more uncertain future events occur or fail to occur. The assessment of the existence, and potential quantum, of contingencies inherently involves the exercise of significant judgement and the use of estimates regarding the outcome of future events.

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

Estimates and assumptions
The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are described below. The Group based its assumptions and estimates on parameters available when the consolidated financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

Impairment of non-financial assets
An impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs to sell and its value in use.

The fair value less costs to sell calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a discounted cash flow model. The cash flows are derived from the budget for the next five years and do not include restructuring activities that the Group is not yet committed to or significant future investments that will enhance the asset's performance of the CGU being tested.

The recoverable amount is most sensitive to the discount rate used for the discounted cash flow model as well as the expected future cash-inflows and the growth rate used for operating purposes. The key assumptions used to determine the recoverable amount for the different CGUs, including a sensitivity analysis, are disclosed and further explained in Note 8.

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.

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.

Fair value of financial instruments
When the fair value of financial assets and financial liabilities recorded in the statement of financial position cannot be derived from active markets, their fair value is determined using valuation techniques including the discounted cash flow model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. The judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments. Information's are disclosed in Note 26.

6 - PROPERTY, PLANT AND EQUIPMENT

	Land QR	Buildings and infrastructure QR	Plant and equipment QR	Vehicles, office, equipment and furniture QR	Vessels QR	Projects in progress QR	Total QR
Cost:							
Balance at 1 January 2013	85,602,537	366,515,485	462,272,700	412,944,220	260,765,595	445,370,029	2,033,470,566
Additions	-	42,282,990	20,980,947	73,141,855	-	75,979,062	212,384,854
Transferred from projects in progress	-	66,151,826	-	-	-	(66,151,826)	-
Disposals	-	-	(167,780)	(2,739,366)	(5,003,156)	-	(7,910,302)
Write off	-	-	(16,542,893)	-	-	-	(16,542,893)
At 31 December 2013	85,602,537	474,950,301	466,542,974	483,346,709	255,762,439	455,197,265	2,221,402,225
Accumulated depreciation:							
Balance at 1 January 2013	-	77,575,579	203,146,723	217,228,116	68,509,561	-	566,459,979
Depreciation charges for the year	-	34,213,066	37,859,270	56,110,095	13,017,436	-	141,199,867
Related to disposals	-	-	(57,724)	(2,627,650)	(2,229,307)	-	(4,914,681)
Related to write off	-	-	(16,542,893)	-	-	-	(16,542,893)
At 31 December 2013	-	111,788,645	224,405,376	270,710,561	79,297,690	-	686,202,272
Net carrying amount At 31 December 2013	**85,602,537**	**363,161,656**	**242,137,598**	**212,636,148**	**176,464,749**	**455,197,265**	**1,535,199,953**

	Land QR	Buildings and infrastructure QR	Plant and equipment QR	Vehicles, office, equipment and furniture QR	Vessels QR	Projects in progress QR	Total QR
Cost:							
Balance at 1 January 2012	48,600,000	300,506,833	435,086,015	364,306,958	260,680,237	678,573,724	2,087,753,767
Additions	37,002,537	57,414,448	27,186,685	48,285,911	85,358	65,490,742	235,465,681
Transferred from projects in progress	-	8,594,204	-	351,351	-	(8,945,555)	-
Disposals (note ii)	-	-	-	-	-	(288,231,032)	(288,231,032)
Impairment	-	-	-	-	-	(1,517,850)	(1,517,850)
At 31 December 2012	85,602,537	366,515,485	462,272,700	412,944,220	260,765,595	445,370,029	2,033,470,566
Accumulated depreciation:							
Balance at 1 January 2012	-	55,014,563	163,056,929	168,742,107	55,475,194	-	442,288,793
Depreciation charges for the year	-	22,561,016	40,089,794	48,486,009	13,034,367	-	124,171,186
At 31 December 2012	-	77,575,579	203,146,723	217,228,116	68,509,561	-	566,459,979
Net carrying amount At 31 December 2012	85,602,537	288,939,906	259,125,977	195,716,104	192,256,034	445,370,029	1,467,010,587

Notes:

(i) The Group has received Government grants in the form of transferring non-monetary assets (six plots of land located in the State of Qatar), during the years 2005 and 2006 for no consideration, for the purpose of constructing and operating petrol stations on these plots; for which the title deeds have been transferred from the Ministry of Municipality and Urban Planning to the Group, however the Group elected to account for these plots of lands for which the title deeds have been transferred to the Group at nominal value of QR 1.

During the year 2012, the Group received additional twenty plots of lands located in the State of Qatar from the Ministry of Municipality and Urban Planning, for the same purpose referred above for which title deeds have not been transferred yet from the Ministry of Municipality and Urban Planning.

(ii) Also during 2012, the Group has entered into an agreement with a related party, Qatar Petroleum, to sell the Heavy Fuel Oil Bunkering Facility at Ras Laffan Industrial City for a consideration of QR 288,231,032, reflecting all the direct costs incurred by Woqod for the engineering, procurement and installation of the Heavy Fuel Oil Bunkering Facility (including all equipment, piping, fittings, instruments, and spare parts purchased by Woqod for the completion of the facility and not installed but excluding the marine vessels and the fuel stock which would remain Woqod's property) free from any encumbrances.

(iii)The Group has six vessels where they operate mainly in bunkering for Heavy Fuel Oil (HFO), Medium Gas Oil (MGO) and Diesel Light Gas Oil (LGO). In addition to the bunkering activities these vessels also operate for leasing under chartering agreements with major customers like Valencia and Kim Oil to transfer the oil between ports. During the year, the Group disposed MT. Sidra Qatar with a net book value of QR 2,773,849 against an amount of QR 979,870 as proceeds, as a result the Group incurred a loss which is recognized in the consolidated income statement of QR 1,793,985. The Vessels are co-owned by Qatar Fuel and other companies as detailed below:

Vessel Name	***Registered Ownership***	***Country of incorporation***
Sidra Messaied	Sidra Messaied Company, Co-operating with Qatar Fuel "WOQOD" Company	Republic of Liberia
MT. Sidra Doha	Sidra Doha Shipping Company, Co-operating with Qatar Fuel "WOQOD" Company	Republic of Liberia
MT. Sidra Al Wajbah	Sidra Al Wajbah Shipping Company, Co-operating with Qatar Fuel "WOQOD" Company	Republic of Liberia
Sidra Al Khaleej	Sidra Al Khaleej Shipping Company, Co-operating with Qatar Fuel "WOQOD" Company	Republic of Liberia
MT. Sidra Ras Laffan	Sidra Ras Laffan Shipping Company, Co-operating with Qatar Fuel "WOQOD" Company	Republic of Liberia

(iv)Depreciation allocated to cost of sales amounts to QR 3,810,773 (2012: QR 3,806,773) and general and administrative expenses in amounts to QR 137,389,095 (2012: QR 120,364,413).

7 - AVAILABLE-FOR-SALE FINANCIAL ASSETS

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

	2013 QR	2012 QR
Qatar Gas Transport Company Q.S.C.	**226,800,000**	170,912,000
Vodafone Qatar Company Q.S.C.	**47,905,091**	37,348,974
Industries Qatar Q.S.C.	**236,211,886**	125,873,576
Qatar Electricity and Water Company Q.S.C.	**195,837,542**	107,008,063
Ooredoo Q.S.C. (Formerly Known as Qatar Telecom (QTEL) Q.S.C.)	**97,241,324**	63,477,752
Qatar International Islamic Bank Q.S.C.	**5,599,152**	2,118,896
Qatar National Bank S.A.Q.	**75,783,200**	-
Doha Bank Q.S.C.	**78,993,230**	-
Commercial Bank of Qatar Q.S.C.	**25,995,211**	-
	990,366,636	506,739,261

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

	2013 QR	2012 QR
At 1 January	**506,739,261**	374,000,778
Acquired during the year	**291,425,207**	149,757,639
Net movement in fair value reserve	**192,202,168**	(17,019,156)
	990,366,636	506,739,261

8 - GOODWILL

	2013 QR	2012 QR
Relating to Qatar Jet Fuel Company W.L.L. (Q-Jet)	**57,700,022**	57,700,022
Relating to Woqod Vehicles Inspection Company S.O.C. (FAHES)	**75,235,110**	75,235,110
	132,935,132	132,935,132

An impairment review of the goodwill was undertaken by the management as at 31 December 2013. The recoverable amounts of the subsidiaries, Qatar Jet Fuel Company and FAHES, which are the cash-generating units to which the goodwill was allocated have been determined based on value in use calculation using cash flow projections. The associated assumptions are summarized as follow:

- The valuation date is 31 December 2013.
- Continuity of local market circumstances and the expected normal rate of growth.
- Reliance on estimated revenues, expenses and cash flows for the years 2014-2017 provided by management.
- Management relied on the CAPM to define the cost of equity. Historical risk free rate accounted for 5.5% up to 7%, as per the seventh issue of the Government bond that matured in 2010. On the other hand, Management foresee more lenient measures to be addressed in the interest market of Qatar and predict the expected risk free rate (RF) to be around 5.5%.
- The market risk of Qatar is 8% which indicate that market risk (RM) can account for up to 13.5%.
- The pricing technique used for evaluating the business of Q-Jet is the Earning Cash Flow Approach and that of Fahes is the Constant Growth Model.
- A key assumption for the value in use calculations was the discount rate represented in the Group's weighted average cost of capital (WACC) used in the calculation of the present value of the free cash flow from operation is 9% for Q-Jet and 11% for Fahes.
- The value of Equity using the above mentioned approaches amounted to QR 754 million for Q-Jet and QR 214 million for Fahes.
- The major sources of information are the audited financial statements for the year ended 31 December 2012, 31 December 2010 and the unaudited financial statements for the year ended 31 December 2013.

Projections for Q-Jet for the year 2013 have been derived from the following assumptions

- The annual growth rate for Q-Jet is 10.5% for each and every year of projection, as the price is derived through the summation of three factors mentioned hereinafter

a) Assumed Mean Oil Platts Arab Gulf (MOPAG) (in USD cents per gallon). This is assumed to increase at an annual growth rate of 5% every year.
b) Premium charged by QP (in US cents per gallon). This assumed to remain stable at 15.46 cent/gallon.
c) Gross Margin (in US cents per gallon). This assumed to remain stable at 15 cents/gallon.

- Other income include interest income which is calculated as 2% of the expected average bank balances per annum and miscellaneous income which is assumed to be QR 75,000 per annum.
- Cash expenses include manpower and related costs and other cash expenses each of which are assumed to increase annually by 3%.
- Projection for management fee is based on management fee agreement, by which Qatar Fuel Company Q.S.C. ("the parent") is entitled to receive fee from Q-Jet for the provision of management services at 3% of the yearly net profit before the management fee.
- Employee profit share has been assumed to be QR 850, for the years 2013 and 2014 based on an average of the historical periods/ years.

Projections for Fahes for the year 2013 has been derived from the following assumptions:

- Sales revenues are assumed to increase at an annual growth rate of 6% which is based on the historical growth in sales revenue.
- All expenses, including man power costs, and other expenses are expected to increase at an annual growth rate of 8% as per the management expectation for the year 2013.

Sensitivity to changes in assumptions
With regard to the assessment of value in use of the cash generating units, the management believes that no reasonably possible change in any of the above key assumptions would cause the carrying value of the unit to materially exceed its recoverable amount.

The management concluded from this review and the use of the above assumptions that there is no impairment to the goodwill as at 31 December 2013.

9 - INVENTORIES

	2013 QR	2012 QR
Jet fuel oil	**201,000,188**	60,626,302
Heavy fuel oil	**72,631,304**	59,887,104
Light gas fuel oil	**31,301,345**	39,464,517
Materials and spare parts	**48,486,263**	41,837,465
Refined fuel oil - premium grade	**10,670,428**	16,052,042
Refined fuel oil - super grade	**12,160,699**	11,957,550
Retail stores inventory	**16,123,446**	18,214,757
Other inventory items	**13,317,463**	1,820,183
	405,691,136	249,859,920

10 - TRADE RECEIVABLES

	2013 QR	2012 QR
Trade receivables	**2,528,630,927**	1,521,704,546
Notes receivable	**8,329,960**	5,590,417
Due from related parties (Note 23)	**63,287,348**	63,089,790
	2,600,248,235	1,590,384,753
Allowance for doubtful receivables	**(811,651)**	(733,877)
	2,599,436,584	1,589,650,876

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

	2013 QR	2012 QR
Balance at 1 January	**735,127**	735,127
Provided during the year	**76,524**	-
Balance at 31 December	**811,651**	735,127

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

The aging of trade receivables is disclosed in Note 26.

The fair value of trade receivables, notes receivables and due from related parties approximates their carrying values.

11 - PREPAYMENTS AND OTHER RECEIVABLES

	2013 QR	2012 QR
Advances to suppliers and contractors	**10,529,436**	22,858,606
Advances for purchase of investments	**28,760,465**	39,802,442
Staff advances and loans	**41,062,642**	34,607,929
Accrued income	**4,846,829**	27,098,639
Refundable deposits	**14,868,718**	14,438,651
Prepaid expenses	**3,224,301**	3,605,158
Interest receivable	**2,373,235**	5,987,710
Other receivables	**387,971**	240,367
	106,053,597	148,639,502

12 - CASH AND BANKS BALANCES

	2013 QR	2012 QR
Cash on hand	**710,492**	844,867
Balances with banks		
Current and call accounts	**2,309,338,596**	2,219,392,335
Fixed deposits	**1,621,394,337**	1,739,425,354
	3,931,443,425	3,959,662,556

The term deposits carry an interest rate between 1.30 % and 1.50% per annum (2012: 1.70 % and 2% per annum) and all have original maturity of ninety days or less.

13 - SHARE CAPITAL

	2013 QR	2012 QR
Authorised: 100,000,000 ordinary shares of QR 10 each	**1,000,000,000**	1,000,000,000
Issued: 64,968,750 ordinary shares of QR 10 each (2012: 51,975,000 shares)	**649,687,500**	519,750,000

All shares are of equal class and voting rights. During the current year, the Parent has issued bonus shares equivalent to 25% (2012: 25%) of the paid up capital as at 31 December 2012 amounting to QR 129,937,500 equivalent to 12,993,750 shares (2012: QR 103,950,000 equivalent to 10,395,000 shares) which was approved by the Annual General Assembly held on 13 March 2013.

14 - LEGAL RESERVE

As required by Qatar Commercial Companies' Law No. 5 of 2002, and the Company'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.

The legal reserve include legal reserve relating to subsidiary companies of Woqod.

15 - EMPLOYEES' END OF SERVICE BENEFITS

Movements in the employees' end of service benefits provision are as follows:

	2013 QR	2012 QR
Balance at 1 January	**55,134,716**	43,985,179
Provided during the year	**15,462,855**	13,511,225
End of service benefits paid during the year	**(4,557,573)**	(2,361,688)
Provision for the year	**66,039,998**	55,134,716

16 - PAYABLES AND ACCRUALS

	2013 QR	2012 QR
Due to a related party (Note 23)	**2,641,812,796**	1,915,688,366
Suppliers and contractors payable	**77,123,285**	60,006,258
Retentions payable	**50,287,495**	47,619,982
Dividends payable	**64,587,541**	56,446,264
Deposits from others	**17,947,382**	15,300,175
Accrued expenses	**82,611,421**	54,126,257
Other payables	**50,469,611**	44,141,506
	2,984,839,531	2,193,328,808

17 - REVENUE

	2013 QR	2012 QR
Sales of refined petroleum products	**11,585,011,896**	10,522,102,141
Sales from petrol stations	**972,686,395**	722,829,996
Transportation and storage revenues	**236,034,061**	193,077,989
Revenues from inspection services	**51,150,350**	47,286,932
Sales of lubricants and supplies	**12,451,350**	4,434,890
	12,857,334,052	11,489,731,948

18 - OTHER OPERATING INCOME

	2013 QR	2012 QR
Road Tanker rental income	**34,958,817**	33,316,402
Dividend income	**28,299,780**	25,691,506
Vessels rental income	**13,320,976**	17,351,416
Miscellaneous income	**59,904,569**	61,182,278
	136,484,142	137,541,602

19 - GENERAL AND ADMINISTRATIVE EXPENSES

	2013 QR	2012 QR
Staff cost	**394,408,234**	353,017,613
Depreciation	**137,389,095**	120,364,413
Bonus	**29,160,267**	29,788,310
Board of Directors remuneration	**27,294,000**	17,007,493
Other committees allowances	**-**	2,300,751
Communication expenses	**11,878,073**	11,918,143
End of service benefits expense	**15,002,700**	13,511,225
Advertising and subscriptions	**14,257,921**	10,603,579
Insurance charges	**14,115,700**	9,883,368
Rent expenses	**6,451,451**	7,110,253

Fleet operating expenses	**8,668,661**	6,860,947
Utilities charges	**6,406,464**	5,417,816
Retirement and pension expenses	**4,200,479**	3,876,718
Travel expenses	**3,136,773**	3,131,262
Immigration expenses	**4,540,012**	3,064,955
Customs clearing expenses	**3,794,779**	3,006,367
Vessels Expenses	**6,915,776**	-
Allowance for doubtful receivables	**76,524**	-
Staff training and recruitment	**1,413,680**	-
Others	**62,114,618**	65,513,900
	751,225,207	666,377,113

20 - IMPAIRMENT LOSSES

	2013 QR	2012 QR
Impairment of property, plant and equipment	**-**	1,517,850
	-	1,517,850

21 - EARNINGS PER SHARE
Basic earnings per share are calculated by dividing the net profit for the year attributed to equity holders of the parent by the weighted average number of shares outstanding during the year.

	2013 QR	2012 QR
Net profit for the year attributable to the shareholders of the Parent	**1,216,214,667**	1,150,260,720
Weighted average number of shares outstanding during the year (Note i)	**64,968,750**	64,968,750
Basic and diluted earnings per share (QR per share)	**18.72**	17.70

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:

During the year 2012, the Group issued bonus shares for the year 2011. During 2013, the Group issued further bonus shares for the year 2012. Accordingly, the previously reported earnings per share as at 31 December 2012 have been restated for the effects of this transaction.

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

	2013	2012
Qualifying shares at beginning of the period	**51,975,000**	41,580,000
Effect of bonus shares issued for 2011	**-**	10,395,000
Effect of bonus shares issued for 2012	**12,993,750**	12,993,750
Weighted average number of shares outstanding	**64,968,750**	64,968,750

22 - DIVIDENDS
In its General Assembly Meeting dated 13 March 2013, the shareholders of the Group approved declaring QR 10 per share totalling to QR 519,750,000 as cash dividends to be distributed from 2012 net profit, in addition to 25% bonus shares issue totalling to 12,993,750 shares to its existing shareholders as of that date (2012: QR 10 per share totalling to QR 415,800,000 and 25% bonus share issue totalling to 10,395,000 shares).

The Board of Directors has proposed cash dividends of QR 10 per share and bonus shares issue at 30% for the year ended 31 December 2013. The proposed dividend for the year ended 31 December 2013 will be submitted for approval at the Annual General Assembly meeting.

23 - 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.

Due from related parties

	2013 QR	2012 QR
Ras Gas	**34,813,863**	33,066,416
Qatar Liquefied Gas Company Ltd. ("Qatar Gas")	**17,178,236**	14,925,802
Gulf Helicopters Q.S.C.	**1,545,701**	3,727,766
Gulf Drilling International ("GDI") Q.S.C.	**3,997,401**	5,701,592
Qatex Limited	**1,137,524**	2,056,152
Qatar Aluminium ("Qatalum")	**933,753**	721,249
Qatar Steel Company ("QASCO") Q.S.C.	**379,471**	685,394
Qatar Petrochemical Company ("QAPCO") Q.S.C.	**460,046**	426,109
Qatar Fuel Additives Company ("QAFAC") C.Q.S.C.	**977,398**	420,005
Qatar Chemical Company Ltd. ("Q-Chem")	**407,476**	387,176
Oryx GTL	**235,661**	284,877
Amwaj Catering Services	**625,717**	278,735
Qatar Fertiliser Company ("QAFCO") C.Q.S.C.	**133,352**	254,363
Seef Ltd.	**60,291**	50,200
Al Shaheen Well Services Co.	**52,929**	32,404
Gasal Q.S.C.	**34,588**	18,140
Qatar Holding Co.	**53,412**	53,410
Qatar Gas Operating Company - 3&4	**189,863**	-
Qatar Gas Group	**70,666**	-
	63,287,348	63,089,790

Due to a related party

	2013 QR	2012 QR
Qatar Petroleum	**2,641,812,796**	1,915,688,366

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.

The balance due to Qatar Petroleum is classified as current liability as its settlement is planned in the near future.

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	2013 QR	2012 QR
Qatar Petroleum.– Sales	**102,211,273**	91,260,065
Qatar Petroleum – Purchases	**9,936,819,539**	8,834,440,287

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

Transactions between the Group and due from related parties resulted from sales of refined petroleum products which are at arm's length.

Terms and conditions of transactions with related parties
The sales to related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and interest free and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables. For the year ended 31 December 2013, the Group has not recorded any impairment of receivables relating to amounts owed by related parties (2012: QR Nil). This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

Compensation of key management personnel

	2013 QR	2012 QR
Board of Directors remuneration	**24,750,000**	17,007,493
Other committee allowances	**2,350,511**	2,300,751
Salaries and other short term benefits	**19,447,118**	10,702,788
Post-employment benefits	**902,576**	891,899
	47,450,205	30,902,931

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. Majority of the Group's revenue is generated through sale and distribution of refined petroleum products.

The Company's geographical segment is inside Qatar only. The operation in Kingdom of Saudi Arabia are neither significant nor material to be considered as a separate geographical segment.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
At 31 December 2013

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 sales between segments are carried at arm's length . 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.

2013	*Refined petroleum products QR*	*Technical Inspection of vehicles QR*	***Total 2013 QR***
External revenue	**12,806,183,702**	**51,150,350**	**12,857,334,052**
Inter-segment revenue	**6,286,951,293**	**-**	**6,286,951,293**
Reportable segment profit	**1,312,234,996**	**19,930,827**	**1,332,165,823**
Reportable segment assets	**9,544,837,042**	**156,289,421**	**9,701,126,463**

2012	*Refined petroleum products QR*	*Technical Inspection of vehicles QR*	*Total 2012 QR*
External revenue	11,442,445,016	47,286,932	11,489,731,948
Inter-segment revenue	5,706,300,320	-	5,706,300,320
Reportable segment profit	1,272,705,445	19,431,594	1,292,137,039
Reportable segment assets	7,919,172,466	135,325,368	8,054,497,834

25 - COMMITMENTS AND CONTINGENCIES

Operating lease commitments — Group as lessee
The Group has entered into commercial leases on certain plots of land and some residential properties. These leases have an average life of between three and five years with no renewal option included in the contracts. There are no restrictions placed upon the Group by entering into these leases.

Future minimum rentals payable under non-cancellable operating leases as at 31 December are, as follows:

	2013 QR	2012 QR
Within one year	**6,360,347**	6,000,900
After one year but not more than five years	**18,600,436**	17,524,200
More than five years	**31,873,480**	30,094,560
	56,834,263	53,619,660

Operating lease commitments — Group as lessor
The Group has entered into commercial spaces rental at the Petrol stations, diesel tanks for the local, joint ventures and international customers. These non-cancellable leases have remaining terms of between three and five years. All leases include a clause to enable upward revision of the rental charge on an annual basis according to prevailing market conditions

	2013 QR	2012 QR
Within one year	**68,470,018**	64,651,226

Contingent liabilities

	2013 QR	2012 QR
Bank guarantees	**59,400**	1,929,000
Letters of credit	**13,455,700**	141,781

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.

Commitments

	2013 QR	2012 QR
Capital commitments (Note i)	**171,959,688**	97,921,714

Note:

(i) During the year 2013, the Group has completed construction of five (2012: four) petrol stations, as the capital commitments by the year end 31 December 2013 represent the construction of additional five (2012: eight) petrol stations in the amount of QR 125,000,000 (2012: QR 50,962,026) and the new warehouse at the industrial area amounting to QR 46,959,688 (2012: QR 46,959,688).

26 - 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 is 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.

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

Credit risk
Credit risk is the risk of financial loss to the Group if a customer or a 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	
	2013 QR	2012 QR
Due from related parties	**63,287,348**	63,089,790
Trade and notes receivables	**2,536,960,887**	1,527,294,963
Bank balances	**3,930,732,933**	3,958,817,689
	6,530,981,168	5,549,202,442

Trade receivables
Credit risk on trade receivables is minimal as Group has established a credit policy under which each new customer is analyzed individually for creditworthiness before granting credits to the customer. Credit limits are established for each customer, which represents the maximum 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 receivables 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 is determined based on historical data of payment statistics for similar financial assets.

The ageing of trade receivables at the reporting date was as follows

	2013 QR	2012 QR
Trade receivables not past due	**1,566,433,837**	1,255,664,866
Trade receivables past due and not impaired:		
Up to 30 days	**118,462,159**	125,357,335
31 to 60 days	**661,127,664**	40,646,813
61 to 90 days	**34,647,550**	38,038,319
91-180 Days	**54,087,844**	37,241,789
181-360 Days	**73,436,571**	7,353,343
Beyond 361 Days	**19,623,651**	16,666,954
Trade receivables past due and impaired	**811,651**	735,127
	2,528,630,927	1,521,704,546

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.

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, at the reporting date, the Group's current ratio was 2.36 times (2012: 2.65 times).

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 2013	***Carrying amount QR***	***Gross un-discounted contractual cash out flows QR***	***Less than 1 year QR***
Due to a related party	**2,641,812,796**	**2,641,812,796**	**2,641,812,796**
Trade and other payables	**343,026,735**	**343,026,735**	**343,026,735**
	2,984,839,531	**2,984,839,531**	**2,984,839,531**
31 December 2012	QR	QR	QR
Due to a related party	1,915,688,366	1,915,688,366	1,915,688,366
Trade and other payables	277,640,442	277,640,442	277,640,442
	2,193,328,808	2,193,328,808	2,193,328,808

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.

Currency risk

Currency risk is the risk that the value of financial instruments will fluctuate due to changes in foreign exchange rates. The Group's functional currency and significant foreign currency transactions are denominated in currencies pegged with 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.

Equity price risk

Equity price risk is the risk that the fair values of equity increases/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 as follows:

	10% Increase QR	*10% Decrease QR*
2013	**99,036,664**	**(99,036,664)**
2012	50,673,926	(50,673,926)

Interest rate risk

The majority of the Group's financial assets are non-interest bearing. While the entire 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.

2013 Assets	***Interest bearing QR***	***Non-interest bearing QR***	***Total QR***
Due from related parties	**-**	**63,287,348**	**63,287,348**
Trade and notes receivables	**-**	**2,536,960,887**	**2,536,960,887**
Bank balances	**3,930,732,933**	**-**	**3,930,732,933**
	3,930,732,933	**2,600,248,235**	**6,530,981,168**
Liabilities			
Trade and other payables	-	**343,043,714**	**343,043,714**
Due to a related party	-	**2,641,928,904**	**2,641,928,904**
	-	**2,984,972,618**	**2,984,972,618**
2012 Assets	*QR*	*QR*	*QR*
Due from related parties	-	63,089,790	63,089,790
Trade and notes receivables	-	1,527,294,963	1,527,294,963
Bank balances	3,958,817,689	-	3,958,817,689
	3,958,817,689	1,590,384,753	5,549,202,442
Liabilities			
Trade and other payables	-	277,640,442	277,640,442
Due to a related party	-	1,915,688,366	1,915,688,366
	-	2,193,328,808	2,193,328,808

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.

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 to 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 2012. The capital structure of the Group consists of 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 gearing ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as total payables and accruals less cash and cash equivalents. Total capital is calculated as 'equity' as shown in the consolidated statement of financial position.

	2013 **QR**	2012 QR
Cash and cash equivalents	**3,931,443,425**	3,959,662,556
Payables and accruals	**(2,984,839,531)**	(2,193,328,808)
Excess of cash and cash equivalents over debt	**946,603,894**	1,766,333,748

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

27 COMPARATIVE FIGURES

The corresponding figures presented for 2012 have been reclassified where necessary to preserve consistency with the 2013 figures. However, such reclassifications did not have any effect on the comprehensive income or the total equity for the comparative year.

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