وقود
WOQOD

Annual Report 2012

10th Anniversary

what's next

Always Aiming Higher

10th Anniversary 2002 - 2012

In The Name of Allah
The Most Gracious
The Most Merciful

His Highness
Sheikh Tamim Bin Hamad Al Thani
The Heir Apparent

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

ALWAYS AIMING HIGHER

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WOQOD

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Board of Directors

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

Always Aiming Higher

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

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

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

Mr. Nasser Sultan N Al-Hemaidi
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

Our Profile

Introduction

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

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

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

Qatar Fuel (WOQOD) is exclusively responsible for the distribution of fuel needs within Qatar. This includes diesel and gasoline, for vehicles, boats and industry, and aviation fuel, for Doha International Airport; all to be served through a fleet of more than 350 road-tankers. The company also trades in bunker fuels, ship-to-ship bunkering within Qatari waters, bitumen importation and distribution, for building new roads, LPG for cooking and other uses, and own-branded-lubricants. In addition, it builds modern branded service stations across Qatar.

WOQOD 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.


GORICA
COMP-1
COMP-2
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Our Vision

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

Our Mission

- Provide all customers with reliable, professional and innovative solutions through friendly, excellent and convenient services.
- To demonstrate accountability for all our activities.
- To achieve our Vision and Mission, we will train and develop competencies across the organization to enable us to demonstrate that we are the best in what we do in the region.
- We will achieve 50% Qatarization by end of 2015.
- Minimizing our impact on the environment will be achieved through the introduction of new technologies not yet seen in the region.

Driving Leadership

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.

Innovation

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

Accountable

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

WOQOD Quality Policy

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

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

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

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

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

WOQOD Environmental Policy

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

We are committed to:

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

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

Driving Potentials

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

CHAIRMAN'S MESSAGE

Dear 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, which marks the Tenth anniversary of the establishment of Qatar Fuel (WOQOD), and to present to you the Tenth Annual Report of the Board of Directors with a brief overview of the main achievements of Qatar Fuel for the fiscal year 2012.

The year 2012 has witnessed a continuation of the international financial crisis, which still overshadows the economics of many countries especially in Europe. Intense efforts are still in place within major global economic forces, led by the United States of America and Europe, to get out of this crisis. Reform programs have been set to achieve these goals.

As for the Gulf Cooperation Council (GCC) countries generally, and Qatar more specifically, the year 2012 have been a continuation of development and prosperity, enjoyed at the various levels of the Qatari economic sectors, and other sectors, whereby Qatar have maintained in this year the distinguished economic development rates it had been achieving in the previous years. Preliminary estimates indicate that the real growth rates for Gross Domestic Product (GDP) exceeded 5.5% in 2012. For the third consecutive year in a row, Qatar have ranked first among Arab, Middle Eastern and third-world states in global competitiveness rankings for the year 2012. This reflects the high levels of trust enjoyed by the National economy among investors. The State of Qatar have also remarkably hosted the largest global environmental event towards the end of 2012, with the convention of the United Nations Conference on Climate Change (COP18) in Doha.

In addition to the above is yet another impressive record of projects related to infrastructure, health, education, sports, and other sectors, all in pursue of the strategic vision Qatar 2030.

Qatar Fuel (WOQOD) is not an exception in this regard. Its achievements and striking performance in the fiscal year 2012 have capped its ten years anniversary with a continuous 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 annual report.

At the financial level, the company has achieved a net profit of more than QR 1.501 billion for the financial year ending in 31/12/2012, a slight decrease of around 2.8% against last year's profits.

CHAIRMAN'S MESSAGE

In addition, and regardless of the increase in the capital in 2011 through the distribution of bonus shares at a rate of 25%, the Earnings Per Share (EPS) exceeded QR 22.13 in 2012 compared to QR 22.78 EPS in 2011.

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 local, regional and international levels during the upcoming period, and in view of the company's future plans and projects, the Board of Directors is pleased to include within the agenda of your esteemed Assembly a recommendation to distribute cash dividends of QR 519,750,000 according to a rate of 100% of the value of the paid-up nominal capital, i.e. QR 10 per share, in addition to 25% bonus shares, i.e. 1share per 4 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 2013.

Acknowledgment and Appreciation

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

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

Board of Directors responds to the inquiries of esteemed shareholders and distinguished guests during the previous General Assembly Meeting

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

BOARD OF DIRECTOR'S REPORT

Dear Esteemed Shareholders:
Qatar Fuel (WOQOD) marks today its Tenth anniversary. Please accept our warmest congratulations and best wishes on this honorable occasion, whereby 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 2012, in addition to the company's current and future projects.

First: Progress of WOQOD's Main Projects:

1. Service Stations Network and Sidra Convenience Stores:

A- Service Stations Completed and Inaugurated during the mentioned year:

Qatar Fuel (WOQOD) had successfully inaugurated four new stations during the year 2012. These are:

Al-Sailiya Service Station:
This station was inaugurated in February 2012, under the auspice of Mr. Mohamed Turki Al-Sobai the Vice Chairman and Managing Director, and with the participation of some Board members and WOQOD employees.

This station offers a range of products and services that are essential for meeting the increasing demands of our customers in various regions and areas. This includes the SIDRA convenience stores, manual and automatic carwash services, in addition to oil change and tire-fixing shops, among others. This is not to forget ATM services, Qtel services, and the post office and internet café services, all of which operate round the clock.

The inauguration of Al-Sailiya Service Station on the 22nd of February 2012

Al-Sailiya Service Station

Muaither Service Station:
This station, which was inaugurated in Muaither area in March 2012, offers all the basic services offered at other WOQOD petrol stations, including SIDRA services, ATM services and the post office. The inauguration was under the auspice of Mr. Mohamed Turki Al-Sobai, Vice-Chairman and Managing Director, with the participation of some Board members, WOQOD employees and local community partners.

The inauguration of Muaither Service Station on the 11th of March 2012

Muaither Service Station

Bu Fesseela Service Station:

The new station was opened in Bu fesseela region in May 2012. This station is distinguished from other stations by its vast area of 11,366 square meters, hosting all of the essential services. It offers retail services through the SIDRA convenience store, carwash services, oil change and car fixing shops, ATMs and other services. The opening was under the auspice of under the auspice of Mr. Mohamed Turki Al-Sobai the Vice Chairman and Managing Director, with the participation of some Board members, officials from relevant official institutions and authorities, WOQOD employees and the local community.

Bu Fesseela Service Station

Lekhdaira Service Station:

Lekhdaira service station is the fourth station among the stations inaugurated in 2012. It was opened in November 2012 to serve the local community and passers-by on the Northern Road. It includes a special lane for supplying trucks with fuel, in addition to a SIDRA convenience store, children playgrounds and picturesque gardens. The station includes a number of shops specialized in offering a variety of fast foods for its clienteles, as well as a pharmacy and other amenities as needed by the passers-by on this highway (i.e. Northern Road). The opening was under the auspice of Mr. Mohamed Turki Al-Sobai the Vice Chairman and Managing Director, and with the participation of some Board members and distinguished guests.

The inauguration of Lekhdaira Service Station on the 7th of November 2012

Novel Playgrounds that take into account safety and convenience for the little ones

B- SIDRA Convenience Stores opened in 2012

WOQOD SIDRA at the Education City:

The Education City branch of SIDRA was opened in March 2012 under the auspice of Mr. Mohamed Turki Al-Sobai the Vice Chairman and Managing Director. It aims at better serving the needs of the students, faculty members, and employees at the Education City.

The inauguration of SIDRA at Education City on the 11th of March 2012

SIDRA Branch at Education City

WOQOD SIDRA at the Cultural Village (KATARA)

In May 2012, a new branch for SIDRA was inaugurated at the Cultural Village (KATARA), under the auspice of Mr. Mohamed Turki Al-Sobai the Vice Chairman and Managing Director. The branch is dedicated to the best service of KATARA attendees.

The inauguration of KATARA Branch on the 2nd of May 2012

WOQOD SIDRA Al Dafna (WOQOD Tower):
The WOQOD SIDRA branch at Al Dafna was opened in November 2012 and has since then operated in a preliminary trial phase, in preparation for the final stages of completing the WOQOD Tower and its anticipated inauguration. Enjoying a strategic location, this branch has witnessed high request rates for its services and products, especially among attendees and locales of Al Abraj area. The branch has also been marked for its notable hot drinks and pastries. It hosts a luxurious lounge in the mezzanine floor, where light snacks are served.

The opening of SIDRA branch at WOQOD Tower for a trial period, on the 7th of November 2012

SIDRA branch at WOQOD Tower in Al Dafna Area

2. Projects under Implementation:
The following projects are currently under implementation and are projected to start operation during the first half of 2013:
- Rawdat Al Hamama Service Station
- The Pearl (Al-Lou'lou'ah) Service Station
- Abu Samra Service Station
- West Mesaieed Service Station
- North Mesaieed Service Station

Work at the first four stations have neared completion. These stations are projected to be ready and in operation during the first quarter of 2013. Works in the fifth station (North Mesaieed) are ongoing and are projected to end during the second quarter of 2013.

3. Projects in Tender Phase:
The implementation of the following projects is projected to start during the first quarter of 2013, while completion and start of operation is planned in the first quarter of 2014:
- Umm Qarn Service Station
- Al Zakhira Service Station

Designs and Tenders for these stations have been completed in prelude for proceeding with implementation.

4. Projects in Design and Schematics Phase:
These projects involve the construction of new stations in the following areas: Al Wajba, Al Jameleia, Al Qoteifia, Um Gharibah, Al Waseel, Hamad International Airport, Al Baladiyya station in Al 'Usseiri area, Doha Port for serving maritime vessels and ships, Northern City (Madinat Al Shimal) station, New Msemeer station, and Al Waseel City.

Sidra hosts a luxurious lounges where light snacks are served

5. Expansion Plans for Existing Stations:
Projects under implementation and works are currently in progress involving the expansion of Al Hilal station at the Industrial City. Works are expected to be completed during the first quarter of 2013.

Works at Al Daayen Station, projected to be completed during the second quarter of 2013.

6. Kingdom of Saudi Arabia Project:
This project involves the construction of a Service station including the majority of basic amenities, in addition to commercial offices and shops. All designs and schematics are complete and ready, but the implementation start date has been delayed because of some difficulties in obtaining the required official permits from concerned authorities in the Kingdom of Saudi Arabia. Work is projected to start during the first quarter of the current year (2013) and end by the end of the same year.

7. "FAHES" Technical Inspection Project :
FAHES Center in Al Ma'mourah: Work in this project has been completed. The Center has been equipped with tools and equipment. It is currently in preliminary trial phase and expected to be officially inaugurated in March 2013.

FAHES Center in its final phase

FAHES Center in Wadi Al Banat: Work and equipments are almost completed. The center will start a preliminary track phase leading to official inauguration during the first quarter of 2013.

Second: 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 few projects at their final stages. These projects are:

1. 18-inch Pipeline to Transport Petroleum Products:
The pipeline is about 43 km in length and has been designed to pump all petroleum products from the petroleum refinery in Mesaieed to the Doha Depot.
The first phase of this project was completed in 2012. The pipeline provides the Doha Depot with all kinds of petroleum products, including aviation fuel.
In light of increased demands on Diesel and Gasoline products, and the incapability of the pipeline to supply all petroleum products simultaneously, the aviation fuel line has been diverted to a 12-inch pipeline, while further works have been continued at Mesaieed refinery.

2. 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.

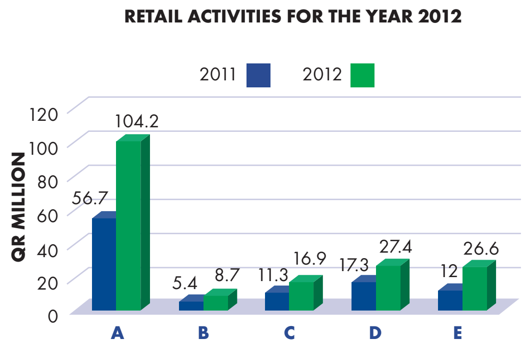
The second phase of the project involves the completion of the aforementioned 16-inch pipeline linking the refinery to Hamad international Airport and operating it at its fullest potential. The project is currently in the tendering process where bids are being submitted and considered at Qatar Petroleum, 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 Doha Airport, without going through Doha Depot. The project is projected to be completed by the opening date of Hamad International Airport during 2013.

3. Facilitating Trucks Diesel Supplying at Ras Laffan:
This project aims at offering Diesel supply services for trucks passing by Ras Laffan, that is through the pipeline installed specifically for that purpose at the port.
All works in this project have been completed, and amenities have been operated during 2012 following the successful agreement on marketing and pricing issues between Qatar Fuel (WOQOD) who shall be operating and managing the project, and Qatar Petroleum, the authority entrusted with implementing the project.

Third: Marketing Activities:

1. Retail:
The year 2012 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. Sales from servicing and tires shops have ranked first in annual growth rates, growing by more than 121% in 2012, followed by SIDRA convenience store sales which registered a growth rate of 84%, then automatic and manual carwash services which registered a growth rate of more than 55% in average.

The following chart presents retail activities by sector for the year 2012.



A. Sidra Convenience store
B. automatic car wash
C. manual car wash
D. oils & lubricants
E. workshops & tires

It should be noted that the services provided by Qatar Fuel WOQOD - especially carwash services and 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 where the client can sit and conveniently wait at the internet café or lounge while his car is being serviced.

Providing highly professional services with a heartfelt smile

A - Butane Gas

Butane gas sales have continued generally its positive growth rates in 2012, registering such a rate of more than 4% against 2011 sales. Butane gas sales for the aforementioned year were estimated at 92 thousand tons. These sales are distributed as follows:

1 - Butane Gas Bulk Sales:
Growth rates for Butane gas bulk sales were moderate in 2012, not exceeding 2% against 2011 sales. Estimates indicated the sale of 29,835 tons compared to 29,378 tons in 2011.

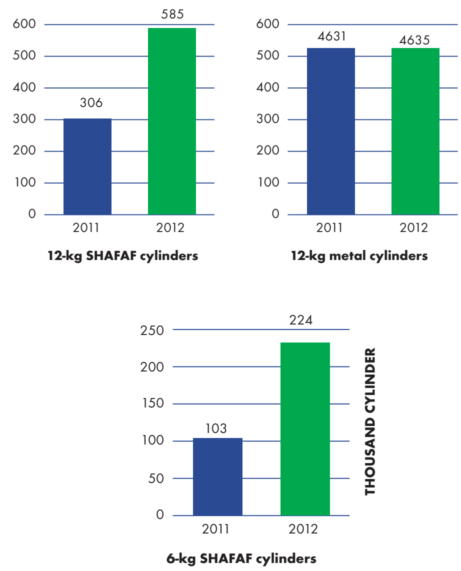
WOQOD is keen on ensuring meeting the best of International safety standards in Butane gas sales and distribution

Butane Gas Bulk Sales by Economic Sectors (in tons)

Sector	2012	2011	% change
Domestic	717	615	16%
Commercial	21,836	19,740	1%
Industrial	7,238	9,023	-19%
Total	29,835	29,378	2%

2 - Butane Gas Cylinders:
Sales of Butane gas cylinders have witnessed a remarkable growth in 2012, at a rate of more than 5% against 2011 sales. Aggregated sales of cylinders of various types and sizes totaled 5.4 million cylinders in 2012. Sales are broken down by cylinder type in the following figure:

Sales of Butane Gas Cylinders by Type



The diagram shows the slight decline in the sales of metal cylinders by a miniscule rate of no more than 1% against 2011 sales for the same type. This indicates the slow replacement ongoing for these cylinders with SHAFAF composite cylinders. The diagram in contrast shows the huge increase in 6-kg SHAFAF cylinders, which are mainly used in farms and camping areas, where sales of these cylinders increased by 109% against 2011 sales of the same types of cylinders. Sales of 12-kg SHAFAF cylinders have also increased by a rate of 88% compared to 2011 sales.

SHAFAF Cylinder accompanies you in picnics and desert trips

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

Inauguration of the Compressed Natural Gas Station in December 2012

One of WOQOD Stations for providing Compressed Natural Gas

The Small and Medium Scale Industrial Area (SMSIA) in Qatar has completed the construction of an 80-kilometer network of natural gas pipelines in the industrial area. The purpose of this project is to directly service the small and medium scale industrial units within the area with natural gas. This is the first such network at the national level of Qatar and 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.


Inaugurating the Compressed Natural Gas Project (2012)

The network was set in operation towards 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 Bin Salah Al Sada and with the participation of Qatar Fuel WOQOD as the exclusive service provider. It is worth noting here that current major uses of natural gas are concentrated in providing clean energy for industrial units, especially those deploying thermal furnaces and food industry, with the always available potential of expanding future uses.

Partnering in protecting our local environment through providing clean fuel for vehicles

C - Bitumen

Bitumen 60/70 sales have suffered a remarkable drop in 2012, with a decrease rate of 26% against 2011 sales when it peaked to a total of 45,850 tons. This drop could be reasoned by the completion of many projects that had been in progress earlier during 2011.

Enhanced Bitumen (polymer) in main roads

However, it is expected that the year 2013 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 an extension amenities for regular and enhanced Bitumen facilities in the Mesaieed area

D - Lubricants

The year 2012 has marked the advancement of WOQOD oils' and lubricants' products into new markets including the Sultanate of Oman and the Kingdom of Bahrain, while agreements have been signed with authorized distributors in each of Yemen and Lebanon. This is not to mention the emerging markets in other countries that had been previously accessed, where sales are yet increasing. The total sales in WOQOD oils and lubricant products for the year 2012 –including products of the various uses- summed up to an increase rate of 70% against 2011 sales.

WOQOD oils and lubricants are up to the highest international standards

Fourth: Investment Assets

1. WOQOD Tower:

All construction and equipment works have been completed for the WOQOD Tower in Al Dafna area. Gradual relocation to the tower has been taking place in prelude to its official inauguration as soon as the required permits from relevant official authorities are obtained. The Tower consists of 30 floors, in addition to four service floors, includes dedicated sections for investment purposes as offices, while another section of the tower is used for SIDRA convenience store retail services. The ground floor includes a minimarket, while as the first floor hosts a spacious rest hall and food lounge. These amenities are for the convenience of the employees within the surrounding Al Abraj area, as well as the passers-by, since this region is relatively lacking such services.

WOQOD Tower in Al-Dafna

2. Financial Assets

WOQOD's current portfolio of financial investments includes stocks in Joint Stock Companies (JSCs) of high liquidity values and remarkable positive returns.
The Qatar Gas Transportation Company (Nakilat), Qatar General Electricity and Water Corporation (Kahramaa) and Vodafone are but a few examples.
Net portfolio income for the year 2012 has exceeded 6.7%.

Fifth: WOQOD Subsidiaries

1. WOQOD Vehicles Inspection (FAHES)

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). The year 2012 carried a remarkable improvement in the technical inspection process, resulting from the update of the deployed technology and the simplification of 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, while earlier, these two inconveniences have been persistent for years in many of FAHES's service centers.

Technical inspection in accordance with internationally recognized standards

The total number of vehicles inspected in 2012 exceeded 422 thousand vehicles, against a total of 382 thousand vehicles in 2011, i.e. at an increase rate of more than 10.5%. Small vehicles constituted more than 85% of the total cars inspected.

In continuation of the company's efforts of service improvement and geographic accessibility, works have been completed in preparation for the opening of two new inspection centers in Mesaimeer and Wadi Al Banat. The inauguration of these centers is projected during the second quarter of 2013, in arrangement with a French company specialized in this field.

Besides these two centers to be opened, and the fixed center at the company's Headquarters in the Industrial City, there are four specialized portable inspection stations in service. The operation of these stations covers the areas of Mesaimeer, Al Khor and Al Wakra. The portable stations are dedicated to the service of small vehicles, where as one external portable station has been dedicated for the service of machinery and heavy trucks. These portable stations have contributed around 52% of the total vehicle inspections of the company in 2012.

2. WOQOD Marine Services

WOQOD Marine Services owns a maritime fleet of six (6) vessels with a total load capacity exceeding 50,000 tons. The company was established in 2009 to take over the responsibility of transporting petroleum products, including Bitumen, to and from local, regional and international ports. The company's activities cover the Arabian Gulf (Persian Gulf) area and extend to the northern region of the Chinese Yangtze River.

One of WOQOD Marine ships - Sidra Ras Laffan

In 2012, significant efforts have been made into updating the fleet vessels and the periodic maintenance system, in line with the international safety standards in the maritime transport industry, especially in connection to the local environment and sources of marine pollution/contamination.

In light of increased demand on the services provided by the company, a number of large vessels have been operated in external charters. The latter is considered a major income source for the company.

3. WOQOD International:

WOQOD International is a Limited Liability Company LLC 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.

4. Q-Jet for Aviation Fuel:

Q-Jet for Aviation Fuel was established in 1990 and it is a partially owned subsidiary of Qatar Fuel, where the latter owns 60% of Q-Jet shares following the reallocation of the National Oil Distribution Company (NODCO) shares in Q-Jet to WOQOD in 2003.

The main activities of the company are concentrated within the field 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 clienteles.

Q-Jet is propped with state of the art equipment

Q-Jet has witnessed a quantum leap in 2012, briefed in short here as follows:

a. Forming and training new teams throughout the past year, in preparation for the inauguration of the new Hamad International Airport in 2013.

b. Providing modern machinery and gas trucks in preparation for the handing in of the buildings in the new airport, via a gradual well-planned course. In addition to the 28 loading trucks and the 20 transportation trucks that will carry over the product from Doha Depot to the new airport, 50 new pumps will be ordered for the purposes of loading and cleaning.

c. Increasing the storage capacity in the new airport through the addition of five new tanks with a capacity of 45 million liters.

d. Proceeding with the construction of a new 16-inch pipeline network with a potential operational capacity of 850 cubic meters per hour, to meet the daily consumption rates of fuel in the new airport. This network will directly connect the airport with the refinery. Qatar Petroleum will be very soon executing the project, as tenders have been submitted and contracted.

Q-Jet is preparing for relocation to the new Hamad International Airport, once inaugurated

Sixth: Administrative Affairs

The Administrative Affairs Management has consistently pursued its administrative structural improvements in 2012 through the company's structural project that was launched last year by a professional international consultancy in this field.
The year 2012 has additionally witnessed a set of cultural, social and sports events. This is briefly summed up in below:

. Training:

***Workshop on Professional Safety and Good Implementation**

This workshop was jointly organized by the Administrative Affairs Department and Safety Department at the maintenance department, with the participation of 28 attendees from amongst the workers at Doha Depot, Butane Gas Section, Bitumen Gas Section, FAHES Inspection centers and WOQOD retail services.

Workshop on Professional Safety and Good Implementation

The workshop was held on the 17th and 18th of July 2012, with the aim of providing participants with a set of professional safety skills in accordance with the laws and regulations of the Professional Safety Institute in the USA. The latter is considered one of the leading pioneer authorities in the fields of professional safety and health/wellbeing.

***Workshop on the Risks of Working with Petroleum/Oil Derivatives**

This workshop was attended by many of the workers at WOQOD stations and refill centers, in addition to other interested relevant departments. The workshop aimed at developing new skills in dealing with the risks involved in the processes of transporting, distributing and storing petroleum/oil derivatives and its health and environmental implications on individuals and those involved in its related tasks. The workshop was held on a period of two consecutive days in July and it was accredited by the Professional Safety Institute in the USA.

***Workshop on the Basic Concepts of Food Hygiene**

This workshop was organized in cooperation between the Administrative Affairs, Marketing and Retail Departments. It was attended by 124 staff members from the suppliers of SIDRA chain stores including the staff from its suppliers. Attendees were trained on how to offer the service that meets modern standards and qualification criteria.

Workshop on Food Hygiene

*** Workshop on Methods of Fire-Fighting**

This workshop was organized in joint cooperation between WOQOD's Administrative Affairs Department and Marketing Department, and the Qatari Civil Defense Administration. It took place during the period 17 June-1 July, 2012.

The workshop was attended by 243 workers from amongst the new hires at WOQOD stations. It aimed at training them with essential skills and concepts in fighting and extinguishing fires through the effective use of modern extinguishing tools. The workshop also provided instructions on how to deal with emergency situations at the stations.

The Qatari Civil Defense Administration training WOQOD staff on Fire-Fighting

Environment Fair:

WOQOD is keen on taking part in Environment day activities and awareness campaigns organized by concerned official authorities in Qatar. This is reflected in the active participation in campaigns for cleaning shores and environmental conferences and panels. WOQOD marked the environment day in 2012 by distributing small sidra tree saplings as well as by participating in tree planting campaigns.

WOQOD taking part in Environment day activities

Career Fair:

WOQOD participated in Career Fair 2012 by having its own booth where it received many college students looking for employment opportunities, especially Qataris. This is in line with the Qatarization policy that enjoys being a top priority at WOQOD, with the aim of attracting qualified Qatari professionals and introducing them to potential managerial level positions that might be available at WOQOD.

H.E. The Minister of Industry and Energy visiting WOQOD's stand

Seventh: Information Technology (IT):

In 2012, the Information Technology Department implemented several projects aiming at raising the level of performance in the various departments at the company. It had also launched a comprehensive study for the company's needs in the upcoming year (2013). Major achievements of the department in 2013 can be summarized as follows:

Information Technology Department

1- Successful installation and deployment of the main Data Center (for the company's headquarters at WOQOD Tower) up to the best international standards and criteria.

2- Successful installation and deployment/operation of Phone Call Systems IP Telephony (over digital networks) at all of the company's amenities.

3- Successful installation and operation of new connection networks for WOQOD Tower.

4- Implementing survey camera alarm systems and central monitoring systems for the stations, in addition to the Tower and FAHES centers.

5- Successful deployment of an automatic monitoring system for product inventory (Telemetry) at portable warehouses, with the aim of increasing distribution efficiency.

6- Preparing the Enterprise Resource Planning Software Oracle ERP for FAHES.

7- Developing the Electronic systems and software for FAHES, and preparing for the opening of new technical inspection centers in arrangement with a professional international company (Actia Muller).

Eighth: Quality Management System (QMS)

The year 2012 witnessed a continuation in update and review efforts for the company's bylaws and regulation with regards to policies and procedures that should be followed in implementing a Quality Management System. Implementing such a system aims at providing the services and/or products at the highest possible quality levels. In 2012, the ISO 2008-9001 bylaws and procedures have been reviewed for renewal purposes. Simultaneously, WOQOD have pursued the ISO 14001-2004 certification requirements in the field of Environmental Management. This certificate was presented by one of the specialized international companies to WOQOD's Vice-Chairman and Managing Director.

ISO Certification Ceremony

Qatar Fuel (WOQOD) ranked third in Forbes list of the Middle East's Top Executives

The world's leading business and economic magazine, Forbes (Middle East) has selected Mr. Mohamed Turki Al-Sobai, Vice-Chairman and Managing Director of WOQOD as one of the best executives in the Arab World for the year 2011. A ceremonial event had been held in this recognition on November 6, 2012, in Dubai, under the auspice of H.E. Dr. Rashed bin Ahmed bin Fahed, the Emirati Minister of Water and Environment. Qatar Fuel Company (WOQOD) ranked third among a studied sample of 324 JSC companies in the Arab markets. Rankings were based on detailed examination of the companies' disclosed annual financial statements for the years 2007-2011, and using these 5-years data as a basis for assessing the executive and financial performance of these companies.

The 324 companies covered by the study include companies from Saudi Arabia, Kuwait, UAE, Bahrain, Oman, Qatar, Lebanon, Egypt and Jordan, with activities distributed along 11 economic sectors: banking, services, financial services and investment, petro-chemicals, insurance, retail, real estate development, energy, industry, communication and food industry.

WOQOD has also ranked third in the category of strongest executive management among Arab JSCs in the services sector for the year 2011. The corresponding companies sample included 46 companies from the GCC, Egypt and Jordan, with different activities such as transport, logistics, technical support, and covered different geographical areas in the region.

It is worth noting that Forbes (Middle East) has established a technical model for the assessment and evaluation of decision-makers' performance through their commitment, efforts, and achievements in impacting success in their companies. Hence, the net profit achieved by these companies in 2011 was considered an important indicator for this classification. Similarly in importance were the factors of extensive experience and stability which are unmistakable signs of strong leadership.

WOQOD Managing Director and Vice Chairman receiving the distinction award from H.E. The Emirati Minister of Water and Environment

Such vital characteristics are developed maturely with time, and many of the leaders mentioned in the list have occupied senior positions and provided wise and stable leadership for years if not decades. The ranking was limited to executives who have been in their positions for at least five years, presenting some of the main assessment criteria for executive managements in JSCs in the Arab region.

Ninth: 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 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.

In 2012, significant developments were achieved at the quantitative and qualitative levels of performance for the Operations Department. The company's transportation and distribution fleet was further augmented, while the volume of sales has increased by a rate of more than 6.6% compared to 2011. These developments can be briefly summarized as follows:

The total sales of WOQOD petroleum products have increased in 2012 by more than 5,726 million liters in comparison to 2011 sales. Except for Diesel sales that witnessed a miniscule decrease of 0.01%, all other petroleum products witnessed growth in the volume of sales. Aviation fuel sales came first in growth rates, with more than 12.1% growth, followed by Regular Gasoline sales which increased by more than 11.4%, then Super Gasoline sales which increased by more than 10.1%.

The following table presents the corresponding figures:

Sales of Petroleum Products 2012 (Million Liters)

Product	2012 sales	2011 sales	% change
Regular Gasoline	757	679	11.4%
Super Gasoline	1,001	909	10.1%
Diesel	2,045	2,067	-0.01%
Aviation Fuel	1,923	1,714	12.1%
Total	5,726	5,369	6.6%

Tenth: Financial Results:

Qatar Fuel WOQOD have maintained its excellent profit growth rates throughout the past ten years, where the profits exceeded QAR 1.150 million for the year 2012 compared to QAR 1.184 million in 2011, i.e. with a slight decrease of around 2.8%. On the other hand, the company's assets and equity increased significantly, where the average growth in reference to the total assets increased by 15.7% reaching QAR 8 billion Riyals, and the total equity increased by 14.3% thus exceeding QAR 5.5 million Riyals. (For additional details please refer to the financial statements attached to the Report.)

In conclusion, WOQOD would like to extend its deepest thanks and gratitude to His Highness Sheikh Hamad Bin Khalifa Al Thani, the Emir of the State of Qatar, and the Heir Apparent, Sheikh Tamim Bin Hamad Al Thani, for their continued support for WOQOD during the last 10 years which enabled WOQOD to achieve these remarkable growth rates. 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.

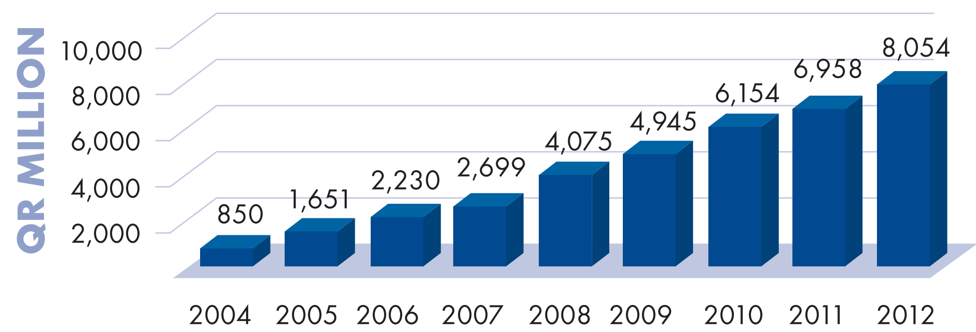
We promise you all, especially our esteemed shareholders, with more positive results yet to come in the future.

Mohammed Turki Al-Sobai

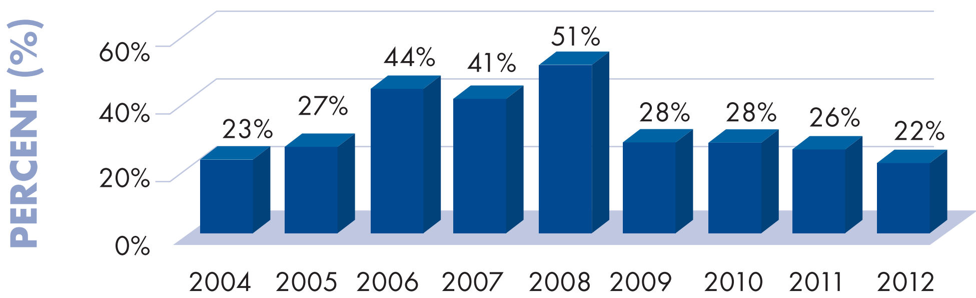
Vice - Chairman & Managing Director

Financial Highlights

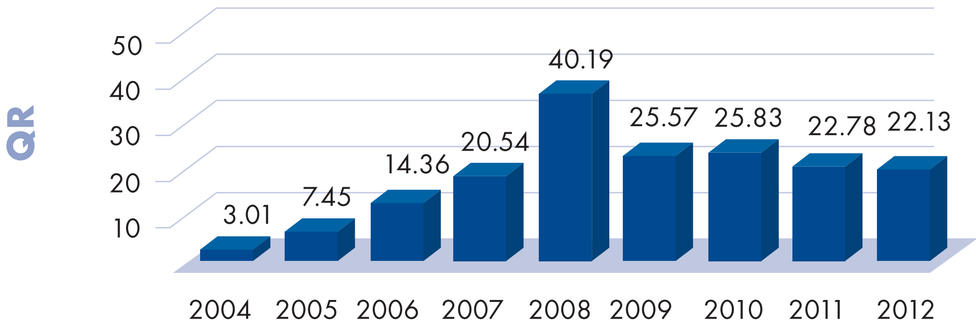
TOTAL ASSETS



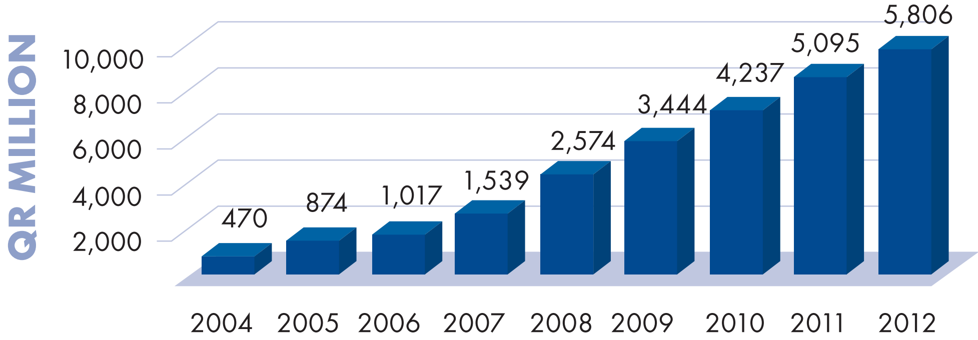
RETURN ON EQUITY



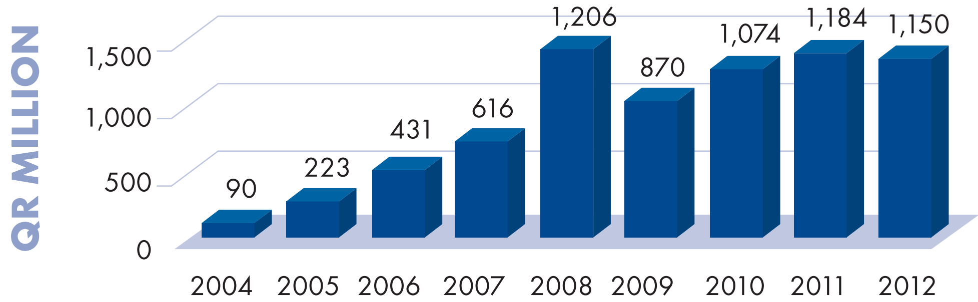
EARNINGS PER SHARE



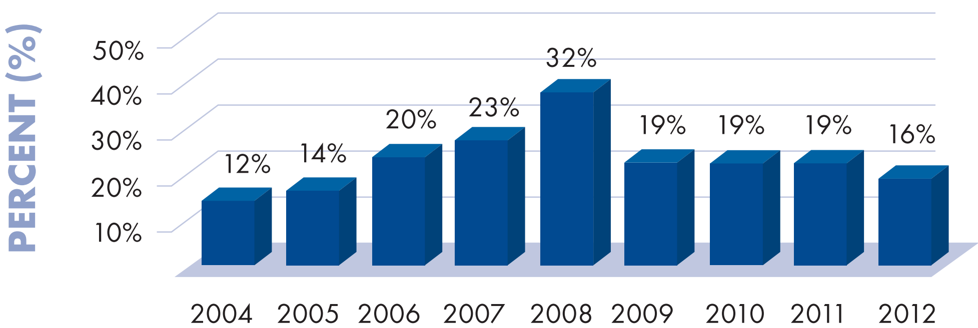
TOTAL EQUITY



NET PROFIT



RETURN ON ASSETS



Independent Auditor's Report

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

We have audited the accompanying consolidated financial statements of Qatar Fuel 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 2012, 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 2012, and of its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards.

Other Matters

We would like to draw attentions to the following matters:

1. The consolidated financial statements of the Group for the year ended 31 December 2011, were audited by another auditor who expressed an unmodified opinion on those consolidated statements on 26 February 2012.

2. As more fully explained in Note 28 to the consolidated financial statements, management has restated the comparative figures for the year 2011 to reflect the correction of an error.

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 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. 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.

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

Date: 24 February 2013
Doha, State of Qatar

Driving
Technology

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at 31 December 2012

	Note	2012 QR	2011 QR
Non-current assets			
Property, plant and equipment	6	**1,467,010,587**	1,645,464,974
Available-for-sale financial assets	7	**506,739,261**	374,000,778
Goodwill	8	**132,935,132**	132,935,132
Total non-current assets		**2,106,684,980**	2,152,400,884
Current assets			
Inventories	9	**249,859,920**	250,216,533
Trade receivables	10	**1,589,823,729**	1,706,170,650
Prepayments and other receivables	11	**148,466,649**	100,257,899
Cash and bank balances	12	**3,959,662,556**	2,749,324,581
Total current assets		**5,947,812,854**	4,805,969,663
Total assets		**8,054,497,834**	6,958,370,547
Equity and liabilities			
Equity			
Share capital	13	**519,750,000**	415,800,000
Legal reserve	14	**384,774,951**	382,831,792
General reserve		**30,078,234**	30,078,234
Fair value reserve		**33,325,769**	49,755,297
Retained earnings		**4,534,285,311**	3,934,474,269
Equity attributable to equity holders of the parent		**5,502,214,265**	4,812,939,592
Non-controlling interest		**303,820,045**	282,533,354
Total equity		**5,806,034,310**	5,095,472,946
Non-current liabilities			
Employees' end of service benefits	15	**55,134,716**	43,985,179
Current liabilities			
Accounts payable and accruals	17	**2,193,328,808**	1,818,912,422
Total liabilities		**2,248,463,524**	1,862,897,601
Total equity and liabilities		**8,054,497,834**	6,958,370,547

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 the Administrative Control and Transparency Authority and Woqod's Chairman

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

Mr. Khalil Hassan Makki
Finance Manager

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

CONSOLIDATED INCOME STATEMENT
For the year ended 31 December 2012

	Notes	2012 QR	2011 QR (Restated)
Revenue	18	**11,489,731,948**	10,504,360,089
Cost of sales		**(9,712,961,926)**	(8,832,337,668)
Gross profit		**1,776,770,022**	1,672,022,421
Other operating income	19	**137,541,602**	122,618,772
General and administrative expenses	20	**(666,377,113)**	(601,022,710)
Reversal of provision for litigation	16	**-**	100,000,000
Impairment losses	21	**(1,517,850)**	(20,685,353)
Operating profit		**1,246,416,661**	1,272,933,130
Interest income		**45,720,378**	45,727,531
Profit for the year		**1,292,137,039**	1,318,660,661
Attributable to:			
Equity holders of the parent		**1,150,260,720**	1,184,228,585
Non-controlling interest		**141,876,319**	134,432,076
		1,292,137,039	1,318,660,661
Basic and diluted earnings per share (QR per share)	22	**22.13**	22.78

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
For the year ended 31 December 2012

	Note	2012 QR	2011 QR (Restated)
Profit for the year		**1,292,137,039**	1,318,660,661
Other comprehensive (loss) income	7		
Net loss on available-for-sale financial assets		**(17,019,156)**	(14,125,994)
Total comprehensive income for the year		**1,275,117,883**	1,304,534,667
Attributable to:			
Equity holders of the parent		**1,133,831,192**	1,170,102,591
Non-controlling interest		**141,286,691**	134,432,076
		1,275,117,883	1,304,534,667

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2012

	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 (loss) 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 paid for 2011 (Note 23)	-	-	-	-	(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	-	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**

	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 2011	346,500,000	382,831,792	30,078,234	63,881,291	3,195,651,399	4,018,942,716	218,101,278	4,237,043,994
Correction of an error (note 28)	-	-	-	-	(29,605,715)	(29,605,715)	-	(29,605,715)
Balance as restated	346,500,000	382,831,792	30,078,234	63,881,291	3,166,045,684	3,989,337,001	218,101,278	4,207,438,279
Comprehensive income for the year								
Profit for the year as restated (Note 28)	-	-	-	-	1,184,228,585	1,184,228,585	134,432,076	1,318,660,661
Net change in fair value of available-for-sale financial assets	-	-	-	(14,125,994)	-	(14,125,994)	-	(14,125,994)
Total comprehensive (loss) income for the year	-	-	-	(14,125,994)	1,184,228,585	1,170,102,591	134,432,076	1,304,534,667
Issue of bonus shares (Note 13)	69,300,000	-	-	-	(69,300,000)	-	-	-
Cash dividends paid for 2010 (Note 23)	-	-	-	-	(346,500,000)	(346,500,000)	(70,000,000)	(416,500,000)
	69,300,000	-	-	-	(415,800,000)	(346,500,000)	(70,000,000)	(416,500,000)
Balance at 31 December 2011	415,800,000	382,831,792	30,078,234	49,755,297	3,934,474,269	4,812,939,592	282,533,354	5,095,472,946

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

CONSOLIDATED STATEMENT OF CASH FLOWS
For the year ended 31 December 2012

	Notes	2012 QR	2011 QR (Restated)
Cash flows from operating activities			
Profit for the year		**1,292,137,039**	1,318,660,661
Adjustments for:			
Depreciation	6	**124,171,186**	111,976,324
Interest income		**(45,720,378)**	(45,727,531)
Impairment loss of property, plant and equipment	21	**1,517,850**	16,542,893
Impairment loss of available-for-sale financial assets	21	**-**	4,142,460
Impairment loss of trade receivables	10	**-**	561,025
Reversal of provision for litigation	16	**-**	(100,000,000)
Reversal of provisions for impairment of trade receivables	10	**-**	(41,539,511)
Provision for employees' end of service benefits	15	**13,511,225**	11,665,636
		1,385,616,922	1,276,281,957
Working capital adjustments:			
Trade receivables		**117,825,979**	(426,756,048)
Prepayments and other receivables		**(49,568,548)**	(32,656,876)
Inventories		**356,613**	(52,225,451)
Due from related parties		**(1,479,058)**	(385,675)
Due to a related party		**673,855,518**	(79,168,693)
Payable and accruals		**(39,964,619)**	85,248,916
Cash flows from operating activities		**2,086,642,807**	770,338,130
End of service benefits paid	15	**(2,361,688)**	(1,042,068)
Interest received		**47,080,176**	45,727,531
Net cash from operating activities		**2,131,361,295**	815,023,593
Cash flows from investing activities			
Purchase of property, plant and equipment	6	**(235,465,681)**	(385,392,773)
Purchase of available-for-sale financial assets	7	**(149,757,639)**	(167,264,358)
Net cash used in investing activities		**(385,223,320)**	(552,657,131)
Cash flows from financing activities			
Dividends paid to equity holders of parent	23	**(415,800,000)**	(346,500,000)
Dividends paid to non-controlling interest by a subsidiary		**(120,000,000)**	(70,000,000)
Net cash used in financing activities		**(535,800,000)**	(416,500,000)
Net increase /(decrease) in cash and cash equivalents		**1,210,337,975**	(154,133,538)
Cash and cash equivalents at 1 January	12	**2,749,324,581**	2,903,458,119
Cash and cash equivalents at 31 December	12	**3,959,662,556**	2,749,324,581

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended 31 December 2012

1 CORPORATE INFORMATION AND PRINCIPAL ACTIVITIES

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

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

The consolidated financial statements of the Group were authorized for issue in accordance with a resolution of the Board of Directors on 24 February 2013.

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) 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 Company'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 2012.

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.

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 Q.S.C.	State of Qatar	60%
WOQOD Vehicle Inspection Company ("FAHES") S.P.C.	State of Qatar	100%
WOQOD Marine Services Company S.P.C.	State of Qatar	100%
WOQOD International Company S.P.C.	State of Qatar	100%
WOQOD Kingdom Company S.P.C.	Kingdom of Saudi Arabia	100%
Ard Al Khaleej Real Estate S.P.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 2012

The accounting policies used in the preparation of the consolidated financial statements are consistent with those used in the preparation of the financial statements for the year ended 31 December 2011, except for the adoption of new and amended standards and interpretations effective as of 1 January 2012 as noted below:

- IAS 24 Related Party Disclosures (amendment) effective 1 January 2012
- IAS 32 Financial Instruments: Presentation (amendment) effective 1 February 2011
- Improvements to IFRSs (May 2011)

The adoption of the standards or interpretations is described below:

IAS 24 Related Party Transactions (Amendment)
The IASB issued an amendment to IAS 24 that clarifies the definitions of a related party. The new definitions emphasise a symmetrical view of related party relationships and clarifies the circumstances in which persons and key management personnel affect related party relationships of an entity. In addition, the amendment introduces an exemption from the general related party disclosure requirements for transactions with government and entities that are controlled, jointly controlled or significantly influenced by the same government as the reporting entity. The adoption of the amendment did not have any impact on the financial position or performance of the Group.

IAS 32 Financial Instruments: Presentation (Amendment)
The IASB issued an amendment that alters the definition of a financial liability in IAS 32 to enable entities to classify rights issues and certain options or warrants as equity instruments. The amendment is applicable if the rights are given pro rata to all of the existing owners of the same class of an entity's non-derivative equity instruments, to acquire a fixed number of the entity's own equity instruments for a fixed amount in any currency. The amendment has had no effect on the financial position or performance of the Group because the Group does not have these type of instruments.

Annual Improvements May 2012
These improvements will not have an impact on the Group, but include:

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.

IAS 34 Interim Financial Reporting
The amendment aligns the disclosure requirements for total segment assets with total segment liabilities in interim financial statements. This clarification also ensures that interim disclosures are aligned with annual disclosures.

These improvements are effective for annual periods beginning on or after 1 January 2013.

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

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 other comprehensive income (OCI). Items that could be reclassified (or 'recycled') to profit or loss at a future point in time (for example, actuarial gains and losses on defined benefit plans and revaluation of land and buildings) would be presented separately from items that will never be reclassified (for example, net gain on hedge of net investment, exchange differences on translation of foreign operations, net movement on cash flow hedges and net loss or gain on available-for-sale financial assets). The amendment affects presentation only and has no impact on the Group's financial position or performance. The amendment becomes effective for annual periods beginning on or after 1 July 2012, and will therefore be applied in the Group's first annual report after becoming effective.

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. The amendment becomes effective for annual periods beginning on or after 1 January 2013.

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. The revised standard becomes effective for annual periods beginning on or after 1 January 2013.

IAS 32 Offsetting Financial Assets and Financial Liabilities — Amendments to IAS 32
These amendments clarify the meaning of "currently has a legally enforceable right to set-off". The amendments also clarify the application of the IAS 32 offsetting criteria to settlement systems (such as central clearing house systems) which apply gross settlement mechanisms that are not simultaneous. These amendments are not expected to impact the Group's financial position or performance and become effective for annual periods beginning on or after 1 January 2014.

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 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 recognized 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 and become effective for annual periods beginning on or after 1 January 2013.

IFRS 9 Financial Instruments: Classification and Measurement
IFRS 9, as issued, reflects the first phase of the IASB's work on the replacement of IAS 39 and applies to classification and measurement of financial assets and financial liabilities as defined in IAS 39. The standard was initially effective for annual periods beginning on or after 1 January 2013, but Amendments to IFRS 9 Mandatory Effective Date of IFRS 9 and Transition Disclosures, issued in December 2011, moved the mandatory effective date to 1 January 2015. In subsequent phases, the IASB will address hedge accounting and impairment of financial assets. The adoption of the first phase of IFRS 9 will have an effect on the classification and measurement of the Group's financial assets, but will not have an impact on classification and measurements of financial liabilities. The Group will quantify the effect in conjunction with the other phases, when the final standard including all phases is issued.

IFRS 10 Consolidated Financial Statements, IAS 27 Separate 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 judgement 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. Based on the preliminary analyses performed, IFRS 10 is not expected to have any impact on the currently held investments of the Group.

This standard becomes effective for annual periods beginning on or after 1 January 2013.

IFRS 11 Joint Arrangements
IFRS 11 replaces IAS 31 Interests in Joint Ventures and SIC-13 Jointly-controlled Entities — Non-monetary Contributions by Ventures. IFRS 11 removes the option to account for jointly controlled entities (JCEs) using proportionate consolidation. Instead, JCEs that meet the definition of a joint venture must be accounted for using the equity method.

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 also required, but has no impact on the Group's financial position or performance. This standard becomes effective for annual periods beginning on or after 1 January 2013.

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. The Group is currently assessing the impact that this standard will have on the financial position and performance, but based on the preliminary analyses, no material impact is expected. This standard becomes effective for annual periods beginning on or after 1 January 2013.

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. This includes the separation of embedded derivatives in host contracts by the acquiree.

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.

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
The Group's consolidated financial statements are presented in Qatari riyals, which is also the parent company's functional currency. For each entity the Group determines the functional currency and items included in the financial statements of each entity are measured using that functional currency.

Transactions and balances
Transactions in foreign currencies are initially recorded by the Group's entities at their respective functional currency spot rates at the date the transaction first qualifies for recognition.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date.

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.

The Group has followed the following policy for the transfer of non-monetary assets:

a. The plots of lands for which the title deeds have been transferred to the Group, is booked at nominal value of QR 1 by debiting the property, plant and equipment and crediting the consolidated income statement, as disclosed in Note 6.
b. The plots of lands where the title deeds have not been transferred as of the consolidated statement of financial position date will not be accounted for and will be disclosed only as there is uncertainty on whether the title deeds will be transferred to the Group.

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.

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.

Impairment losses of continuing operations, including impairment on inventories, are recognized in the consolidated income statement in expense categories consistent with the function of the impaired asset, except for a property previously revalued when the revaluation was taken to other comprehensive income. In this case, the impairment is also recognized in other comprehensive income up to the amount of any previous revaluation.

VIU does not reflect future cash flows associated with improving or enhancing an asset's performance, whereas anticipated enhancements to assets are included in FVLCS calculations.

For assets /CGUs excluding goodwill, an assessment is made at each reporting date to determine whether there is an indication that previously recognized impairment losses no longer exist or have decreased. If such indication exists, the Group estimates the asset's or CGU's recoverable amount. A previously recognized impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognized. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in the consolidated income statement unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.

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. Intangible assets with indefinite useful lives are tested for impairment annually as at 31 December either individually or at the CGU level, as appropriate, and when circumstances indicate that the carrying value may be impaired.

An impairment review of the goodwill was undertaken by the management on 31 December 2012 and was reviewed by Rödl & Partner Middle East Doha, Qatar for the following cash generating units

Qatar Jet Fuel Company Q.S.C
WOQOD Vehicle Inspection Company ("FAHES") S.P.C
The details of the study have been disclosed in Note 8.

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. After initial measurement, such financial assets are subsequently measured at amortized cost using the EIR method, less impairment. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included in interest income in the consolidated income statement. The losses arising from impairment are recognized in the consolidated income statement in general and administrative expenses.

Available-for-sale financial investments
Available-for-sale financial investments include equity investments and debt securities. 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. Debt securities in this category are those that are intended to be held for an indefinite period of time and that may be sold in response to needs for liquidity or in response to changes in the market conditions.

After initial measurement, available-for-sale financial investments 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 investments 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.

Financial assets carried at amortized cost
For financial assets carried at amortized cost, the Group first assesses whether objective evidence of impairment exists individually for financial assets that are individually significant, or collectively for financial assets that are not individually significant. If the Group determines that no objective evidence of impairment exists for an

individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is, or continues to be, recognized are not included in a collective assessment of impairment.

If there is objective evidence that an impairment loss has been incurred, the amount of the loss is measured as the difference between the assets's carrying amount and the present value of estimated future cash flows (excluding future expected credit losses that have not yet been incurred). The present value of the estimated future cash flows is discounted at the financial asset's original EIR. If a loan has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate.

The carrying amount of the asset is reduced through the use of an allowance account and the loss is recognized in profit or loss. Interest income continues to be accrued on the reduced carrying amount and is accrued 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 in profit or loss. Loans together with the associated allowance are written off when there is no realistic prospect of future recovery and all collateral has been realized or has been transferred to the Group. If, in a subsequent year, the amount of the estimated impairment loss increases or decreases because of an event occurring after the impairment was recognized, the previously recognized impairment loss is increased or reduced by adjusting the allowance account. If a write-off is later recovered, the recovery is credited to profit or loss.

Available for sale financial investments
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, 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 the same:
• 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 statement of comprehensive 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.

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

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 25. 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 27.

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6 PROPERTY, PLANT AND EQUIPMENT

	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	349,106,833	418,543,122	364,306,958	260,680,237	687,573,724	2,087,753,767
Additions	94,416,985	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	-	-	-	-	(288,231,032)	(288,231,032)
Impairment	-	-	-	-	(1,517,850)	1,517,850
At 31 December 2012	452,118,022	445,729,807	412,944,220	260,765,595	445,370,029	2,034,988,416
Accumulated depreciation:						
Balance at 1 January 2012	55,014,563	146,514,036	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	186,603,830	217,228,116	68,509,561	-	567,977,829
Net carrying amount						
At 31 December 2012	374,542,443	259,125,977	195,716,104	192,256,034	445,370,029	1,467,010,587

	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 2011	236,421,147	370,095,190	299,890,286	260,571,048	535,383,323	1,702,360,994
Additions	49,411,206	16,388,924	46,815,722	109,189	272,667,732	385,392,773
Transferred from projects in progress	63,274,480	32,059,008	17,600,950	-	(112,934,438)	-
Impairment	-	-	-	-	(16,542,893)	16,542,893
At 31 December 2011	349,106,833	418,543,122	364,306,958	260,680,237	678,573,724	2,087,753,767
Accumulated depreciation:						
Balance at 1 January 2011	40,501,466	104,413,470	126,413,223	42,441,417	-	313,769,576
Depreciation charges for the year	14,513,097	42,100,566	42,328,884	13,033,777	-	111,976,324
At 31 December 2011	55,014,563	146,514,036	168,742,107	55,475,194	-	442,288,793
Net carrying amount						
At 31 December 2011	294,092,270	272,029,086	195,564,851	205,205,043	678,573,724	1,645,464,974

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.

Also 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) Effective from 25 July 2012, the Group has entered into an agreement with related party, Qatar Petroleum, to sell the Heavy Fuel Oil Bunkering Facility at Ras Laffan Industrial City for a good and valuable 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. 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
MT. Sidra Qatar	Qatar Fuel "WOQOD" Company	Republic of Panama

(iv) Depreciation allocated to cost of sales amounts to QR 3,806,773 (2011: QR 7,444,006) and general and administrative expenses in amounts to QR 120,364,413 (2011: QR 104,532,318).

7 AVAILABLE-FOR-SALE FINANCIAL ASSETS

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

	2012 QR	2011 QR
Qatar Gas Transport Company Q.S.C.	**170,912,000**	164,942,291
Vodafone Qatar Company Q.S.C.	**37,348,974**	12,765,540
Industries Qatar Q.S.C.	**125,873,576**	107,938,012
Qatar Electricity and Water Company Q.S.C.	**107,008,063**	88,354,935
Qatar Telecom Qtel Q.S.C.	**63,477,752**	-
Qatar International Islamic Bank Q.S.C.	**2,118,896**	-
	506,739,261	374,000,778

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

	2012 QR	2011 QR
At 1 January	**374,000,778**	225,004,874
Acquired during the year	**149,757,639**	167,264,358
Net movement in fair value reserve	**(17,019,156)**	(14,125,994)
Impairment	-	(4,142,460)
	506,739,261	374,000,778

8 GOODWILL

	2012 QR	2011 QR
Relating to Qatar Jet Fuel Company	**57,700,022**	57,700,022
Relating to FAHES	**75,235,110**	75,235,110
	132,935,132	132,935,132

An impairment review of the goodwill was undertaken by the management and was checked by Rödl & Partner Middle East Doha, Qatar as at 31 December 2012. 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 2012.
- Continuity of local market circumstances and the expected normal rate of growth.
- Reliance on estimated revenues, expenses and cash flows for the years 2012-2016 provided by management.
- Rödl 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, Rödl forsee 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 as 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 2011, 31 December 2010 and the unaudited financial statements for the year ended 31 December 2012.

Projections for Q-Jet 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 Q.SC ("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 of 31 December 2012.

9 INVENTORIES

	2012 QR	2011 QR
Jet fuel oil	**60,626,302**	65,996,569
Heavy fuel oil	**59,887,104**	59,887,104
Light gas fuel oil	**39,464,517**	34,811,630
Materials and spare parts	**41,837,465**	38,853,668
Refined fuel oil - premium grade	**16,052,042**	17,318,487
Refined fuel oil - super grade	**11,957,550**	16,737,349
Retail stores inventory	**18,214,757**	12,072,878
Other inventory items	**1,820,183**	4,538,848
	249,859,920	250,216,533

10 TRADE RECEIVABLES

	2012 QR	2011 QR
Trade receivables	**1,521,878,648**	1,645,092,603
Notes receivable	**5,590,418**	202,442
Due from related parties (Note 24)	**63,089,790**	61,610,732
	1,590,558,856	1,706,905,777
Less: Allowance for doubtful accounts	**(735,127)**	(735,127)
	1,589,823,729	1,706,170,650

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

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

	2012 QR	2011 QR
Balance at 1 January	**735,127**	41,713,613
Provided during the year	**-**	561,025
Reversal during the year (Note 19)	**-**	(41,539,511)
Balance at 31 December	**735,127**	735,127

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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.

The aging of trade receivables is disclosed in Note 27.

11 PREPAYMENTS AND OTHER RECEIVABLES

	2012 QR	2011 QR
Advances to suppliers and contractors	**22,965,666**	13,157,461
Advances for purchase of investments	**39,802,442**	26,316,761
Staff advances and loans	**34,435,077**	2,574,507
Accrued income	**29,270,007**	23,527,649
Refundable deposits	**14,441,051**	14,603,416
Prepaid expenses	**3,605,158**	10,070,334
Interest receivable	**3,816,342**	5,176,140
Other receivables	**130,906**	4,831,631
	148,466,649	100,257,899

12 CASH AND BANKS BALANCES

	2012 QR	2011 QR
Cash on hand	**844,867**	727,910
Balances with banks		
Current and call accounts	**2,219,392,335**	1,200,391,684
Fixed deposits	**1,739,425,354**	1,548,204,987
	3,959,662,556	2,749,324,581

The term deposits carry an interest rate between 1.70 % and 2% per annum (2011: 3% per annum) and all have original maturity dates of less than three months.

13 SHARE CAPITAL

	2012 QR	2011 QR
Authorised:		
100,000,000 ordinary shares of QR 10 each	**1,000,000,000**	1,000,000,000
Issued:		
51,975,000 ordinary shares of QR 10 each (2011: 41,580,000 shares)	**519,750,000**	415,800,000

All shares are of equal class and voting rights. During the current year, the Parent has issued bonus shares equivalent to 25% (2011: 20%) of the paid up capital as at 31 December 2011 amounting to QR 103,950,000 equivalent to 10,395,000 shares (2011: QR 69,300,000 equivalent to 6,930,000 shares) which was approved by the Annual General Assembly held on 13 March 2012.

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.

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

The amount transferred related to the subsidiary Company FAHES.

15 END OF SERVICE BENEFITS PROVISION

	2012 QR	2011 QR
Balance at 1 January	**43,985,179**	33,361,611
Provision for the year	**13,511,225**	11,665,636
Payments during the year	**(2,361,688)**	(1,042,068)
	55,134,716	43,985,179

16 PROVISIONS

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

Effective on 4 October 2012, Qatar Petroleum and WOQOD concluded an amicable settlement agreement ("the Agreement") with Maritime Industrial Services ("MIS" or "Sub-contractor") to finally and fully settle all legal, commercial and contractual claims, demands, and causes of legal dispute with a payment of QR 84 million to MIS which has been recapitalised under project in progress in the current year.

In 2011, the Directors decided that the provision, which was recorded, based on the best available information at that time, is no longer needed and has been accordingly reversed.

17 PAYABLES AND ACCRUALS

	2012 QR	2011 QR
Due to a related party (Note 24)	**1,915,688,366**	1,530,063,880
Suppliers and contractors payable	**60,006,258**	83,745,453
Retentions payable	**47,619,982**	39,934,345
Dividends payable	**56,446,264**	49,541,147
Deposits from others	**15,300,175**	24,000,725
Accrued expenses	**54,126,257**	52,191,799
Other payables	**44,141,506**	39,435,073
	2,193,328,808	1,818,912,422

18 REVENUE

	2012 QR	2011 QR
Sales of refined petroleum products	**10,522,102,141**	9,795,487,665
Sales of petrol stations	**722,829,996**	471,268,470
Transportation and storage revenues	**193,077,989**	186,425,434
Revenues from inspection services	**47,286,932**	43,840,360
Sales of lubricants and supplies	**4,434,890**	7,338,160
	11,489,731,948	10,504,360,089

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19 OTHER OPERATING INCOME

	2012 QR	2011 QR
Road Tanker rental income	**33,316,402**	18,783,117
Dividend income	**25,691,506**	4,200,000
Vessels rental income	**17,351,416**	28,482,232
Reversed allowance for doubtful accounts (Note 10)	**-**	41,539,511
Miscellaneous income	**61,182,278**	29,613,912
	137,541,602	122,618,772

20 GENERAL AND ADMINISTRATIVE EXPENSES

	2012 QR	2011 QR (Restated)
Staff benefits	**353,017,613**	311,030,688
Depreciation	**120,364,413**	104,532,318
Bonus	**29,788,310**	41,924,410
Board of Directors remuneration	**17,007,493**	15,852,523
Other committees allowances	**2,300,751**	18,143,000
Communication expenses	**11,918,143**	5,030,054
End of service benefits expense	**13,511,225**	11,665,636
Advertising and subscriptions	**10,603,579**	13,830,907
Insurance charges	**9,883,368**	9,739,465
Rent expenses	**7,110,253**	6,985,296
Fleet operating expenses	**6,860,947**	5,598,371
Utilities charges	**5,417,816**	4,545,118
Retirement and pension expenses	**3,876,718**	2,643,109
Travel expenses	**3,131,262**	2,696,984
Immigration expenses	**3,064,955**	3,389,984
Customs clearing expenses	**3,006,367**	2,630,311
Allowance for doubtful accounts	**-**	561,025
Others	**65,513,900**	40,223,511
	666,377,113	601,022,710

21 IMPAIRMENT LOSSES

	2012 QR	2011 QR
Impairment of property, plant and equipment	**1,517,850**	16,542,893
Impairment of available-for-sale financial assets	**-**	4,142,460
	1,517,850	20,685,353

22 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.

	2012	2011 (Restated)
Net profit for the year attributable to the shareholders of the Parent (QR)	**1,150,260,720**	1,184,228,585
Weighted average number of shares outstanding during the year (Note i)	**51,975,000**	51,975,000
Basic and diluted earnings per share (QR per share)	**22.13**	22.78

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 2011, the Company issued bonus shares for the year 2010. During 2012, the Company issued further bonus shares for the year 2011. Accordingly, the previously reported earnings per share as at 31 December 2011 have been restated for the effects of this transaction.

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

	2012	2011
Qualifying shares at beginning of the period	**41,580,000**	34,650,000
Effect of bonus shares issued for 2010	**-**	6,930,000
Effect of bonus shares issued for 2011	**10,395,000**	10,395,000
Weighted average number of shares outstanding	**51,975,000**	51,975,000

23 DIVIDENDS

In its General Assembly Meeting dated 13 March 2012, the shareholders of the Group approved declaring QR 10 per share totalling to QR 415,800,000 as cash dividends to be distributed from 2011 net profit, in addition to 25% bonus shares issue totalling to 10,395,000 shares to its existing shareholders as of that date (2011: QR 10 per share totalling to QR 346,500,000 and 20% bonus share issue totalling to 6,930,000 shares).

The Board of Directors has proposed cash dividends of QR 10 per share and bonus shares issue at 25% for the year ended 31 December 2012. The proposed dividend for the year ended 31 December 2012 will be submitted for approval at the Annual General Assembly meeting.

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24 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

	2012 QR	2011 QR
Ras Gas	**33,066,416**	25,116,056
Qatar Liquefied Gas Company Ltd. ("Qatar Gas")	**14,925,802**	16,131,346
Gulf Helicopters Q.S.C.	**3,727,766**	10,211,615
Gulf Drilling International ("GDI") Q.S.C.	**5,701,592**	5,148,442
QATEX LIMITED	**2,056,152**	-
Qatar Aluminium ("Qatalum")	**721,249**	1,432,239
Qatar Steel Company ("QASCO") Q.S.C.	**685,394**	604,853
Qatar Petrochemical Company ("QAPCO") Q.S.C.	**426,109**	400,997
Qatar Fuel Additives Company ("QAFAC") C.Q.S.C.	**420,005**	730,375
Qatar Chemical Company Ltd. ("Q-Chem")	**387,176**	585,657
Oryx GTL	**284,877**	126,721
Amwaj Catering Services	**278,735**	851,391
Qatar Fertiliser Company ("QAFCO") C.Q.S.C.	**254,363**	142,044
Seef Ltd.	**50,200**	26,650
Al Shaheen Well Services Co.	**32,404**	-
Gasal Q.S.C.	**18,140**	5,221
Qatar Holding Co.	**53,410**	-
Qatar Vinyl Company ("QVC")	**-**	97,125
	63,089,790	61,610,732

Due to a related party

	2012 QR	2011 QR
Qatar Petroleum	**1,915,688,366**	1,530,063,880

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 liabilities 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	2012	2011
Qatar Petroleum.– Sales	**91,260,065**	79,078,055
Qatar Petroleum – Purchases	**8,834,440,287**	8,103,190,430

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.

Compensation of key management personnel

	2012 QR	2011 QR
Board of Directors remuneration	**17,007,493**	15,852,523
Other committee allowances	**2,300,751**	18,143,000
Salaries and other short term benefits	**10,702,788**	9,396,571
Post-employment benefits	**891,899**	783,048
	30,902,931	44,175,142

25 SEGMENT INFORMATION

The Group mainly operates in the areas of sale and distribution of refined petroleum products, technical inspection of vehicles and marine transportation. More than 95% of the Group's revenue is generated through sale and distribution of refined petroleum products.

The Company's geographical segment is inside Qatar only.

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. All operating segments' operating results are reviewed regularly by the Group's Managing Director to make decisions about resources to be allocated to the segment and to assess its performance, and for which discrete financial information is available.

Segment results that are reported to the Managing Director include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly corporate assets (primarily the Group's headquarters) and head office expenses.

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**
2011	*Refined petroleum products* *QR*	*Technical inspection of vehicles* *QR*	*Total* *2011* *QR*
External revenue	10,460,519,729	43,840,360	10,504,360,089
Inter-segment revenue	5,051,515,764	-	5,051,515,764
Reportable segment profit	1,299,396,182	19,264,479	1,318,660,661
Reportable segment assets	6,846,473,725	111,896,822	6,958,370,547

26 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:

	2012 QR	2011 QR
Within one year	**6,000,900**	6,500,975
After one year but not more than five years	**17,524,200**	20,819,170
More than five years	**30,094,560**	30,366,320
	53,619,660	57,686,465

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

	2012 QR	2011 QR
Within one year	**64,651,226**	75,404,258

Contingent liabilities

	2012 QR	2011 QR
Bank guarantees	**1,929,000**	300,000
Letters of credit	**141,781**	12,545,230

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

	2012 QR	2011 QR
Purchase commitments		
Capital commitments (Note i)	**97,921,714**	108,000,000
	97,921,714	108,000,000

Note:

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

27 FINANCIAL INSTRUMENTS

Governance framework

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

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

Capital management framework

The Group is in the process of establishing an internal risk management framework for identifying risks to which each of its business units and the Group as a whole 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	
	2012 **QR**	2011 QR
Due from related parties	**63,089,790**	61,610,732
Trade and notes receivables	**1,527,469,066**	1,645,295,045
Bank balances	**3,958,817,689**	2,748,596,671
	5,549,376,545	4,455,502,448

Trade receivables

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

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

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

	2012 QR	2011 QR
Trade receivables not past due	**1,255,664,866**	712,563,466
Trade receivables past due and not impaired:		
Up to 30 days	**125,357,335**	611,464,220
31 to 60 days	**40,646,813**	61,342,366
61 to 90 days	**38,038,319**	21,856,490
91-180 Days	**37,241,789**	21,495,358
181-360 Days	**7,527,445**	37,470,443
Beyond 361 Days	**16,666,954**	178,165,133
Trade receivables past due and impaired	**735,127**	735,127
	1,521,878,648	1,645,092,603

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, being at the statement position date, the Group's current ratio was 2.71 times (2011: 2.64 times on 31 December 2011).

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 2012	*Carrying amount QR*	*Gross un-discounted contractual cash out flows QR*	*Less than 1 year QR*	*1 – 5 Years QR*	*More than 5 years 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**	-	-
31 December 2011	*Carrying amount QR*	*Gross un-discounted contractual cash out flows QR*	*Less than 1 year QR*	*1 – 5 Years QR*	*More than 5 years QR*
Due to a related party	1,530,063,880	1,530,063,880	1,530,063,880	-	-
Trade and other payables	288,848,542	288,848,542	288,848,542	-	-
	1,818,912,422	1,818,912,422	1,818,912,422	-	-

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 Company's functional currency and significant foreign currency transactions are denominated in currencies pegged with United States Dollar ("USD"). Therefore the management is of the opinion that the Group's exposure to currency risk is minimal.

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

Equity price risk

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

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

	10 % Increase QR	*10 % Decrease QR*
2012	**50,673,926**	**(50,673,926)**
2011	37,400,077	(37,400,077)

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended 31 December 2012

2012 **Assets**	**Interest bearing** **QR**	**Non-interest bearing** **QR**	**Total** **QR**
Due from related parties	-	63,089,790	63,089,790
Trade and notes receivables	-	1,527,469,066	1,527,469,066
Bank balances	3,958,817,689	-	3,958,817,689
	3,958,817,689	**1,590,558,856**	**5,549,376,545**
Liabilities			
Trade and other payables	-	277,640,442	277,640,442
Due to related party	-	1,915,688,366	1,915,688,366
	-	**2,193,328,808**	**2,193,328,808**

2011 *Assets*	Interest bearing QR	Non-interest bearing QR	Total QR
Due from related parties	-	61,610,732	61,610,732
Trade and other receivables	-	1,645,295,045	1,645,295,045
Bank balances	2,748,596,671	-	2,748,596,671
	2,748,596,671	1,706,905,777	4,455,502,448
Liabilities			
Trade and other payables	-	288,848,542	288,848,542
Due to related party	-	1,530,063,880	1,530,063,880
	-	1,818,912,422	1,818,912,422

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 2011. The capital structure of the Group consists of related party payables, which includes due to Qatar Petroleum disclosed in note 24, cash and cash equivalents and equity, comprising issued capital, reserves and retained earnings.

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

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

	2012 **QR**	*2011* *QR*
Due to Qatar Petroleum	**1,915,688,366**	1,530,063,880
Less: cash and cash equivalents	**(3,959,662,556)**	(2,749,324,581)
Excess of cash and cash equivalents over debt	**(2,043,974,190)**	(1,219,260,701)

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.

28 CORRECTION OF AN ERROR

During 2011, the contribution to the Social and Sports Fund of Qatar, representing 2.5% of the consolidated net profit for the years, was charged to the consolidated income statement by an amount of QR 29,605,715 instead of appropriating the amount from retained earnings as required by Law No. 13 of 2008 and the related clarification that was issued in 2010.

This error in the treatment has resulted in the understatement of the profit for the year 2011 by the same amount.

The effect on the consolidated income statement was as follows:

	As previously stated *2011* *QR*	*Restatement* *QR*	*Restated balance* *2011* *QR* *Restated*
Net profit	1,289,054,946	29,605,715	1,318,660,661

No impact on the consolidated statement of financial position.

29 COMPARATIVE FIGURES

The corresponding figures presented for 2011 have been reclassified where necessary to preserve consistency with the 2012 figures. However, such reclassifications did not have any effect on the comprehensive income or the total equity for the comparative year.

Driving Service Excellence