

GULF WAREHOUSING COMPANY Q.S.C.
CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE THREE MONTH PERIOD ENDED

31 MARCH 2016

Gulf Warehousing Company Q.S.C.

Condensed consolidated interim financial statements For the three month period ended 31 March 2016

Contents	Page(s)
Independent auditors' report on review of condensed consolidated interim financial statements	1
Condensed consolidated interim financial statements	
Condensed consolidated statement of financial position	2
Condensed consolidated statement of profit or loss and other comprehensive income	3
Condensed consolidated statement of changes in equity	4
Condensed consolidated statement of cash flows	5
Notes to the condensed consolidated interim financial statements	6-15

Independent auditors' report on review of condensed consolidated interim financial statements

To the Board of Directors of Gulf Warehousing Company Q.S.C.

Introduction

We have reviewed the accompanying condensed consolidated statement of financial position of Gulf Warehousing Company Q.S.C. (the "Company") as at 31 March 2016, the condensed consolidated statements of profit or loss and other comprehensive income, changes in equity and cash flows for the three month period then ended, and notes to the interim financial statements (the "condensed consolidated interim financial statements"). The Board of Directors of the Company is responsible for the preparation and presentation of this condensed consolidated interim financial statements in accordance with IAS 34 "*Interim Financial Reporting*". Our responsibility is to express a conclusion on this condensed consolidated interim financial statements based on our review.

Scope of review

We conducted our review in accordance with the International Standard on Review Engagements 2410 "*Review of Interim Financial statements Performed by the Independent Auditor of the Entity*". A review of interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed consolidated interim financial statements as at 31 March 2016 is not prepared, in all material respects, in accordance with IAS 34 "*Interim Financial Reporting*".

20 April 2016
Doha
State of Qatar

Gopal Balasubramaniam
KPMG
Auditor's Registration No.251

Gulf Warehousing Company Q.S.C.

Condensed consolidated statement of financial position

As at 31 March 2016

In Qatari Riyals

	Notes	31 March 2016 (Reviewed)	31 December 2015 (Audited)
ASSETS			
Non-current assets			
Property, plant and equipment	6	1,439,385,137	1,306,367,021
Projects in progress	7	433,157,561	250,725,012
Investment property	8	36,758,071	186,252,270
Intangible assets		127,151,716	128,669,413
		2,036,452,485	1,872,013,716
Current assets			
Inventories		8,875,731	8,724,153
Trade and other receivables	9	540,148,150	513,347,064
Cash and cash equivalents	10	492,738,769	586,450,755
		1,041,762,650	1,108,521,972
TOTAL ASSETS		3,078,215,135	2,980,535,688
EQUITY AND LIABILITIES			
Equity			
Share capital	11	586,031,480	475,609,750
Shares subscribed but not yet issued	12	-	429,361,153
Legal reserve		552,506,803	237,804,875
Retained earnings		226,735,617	268,087,040
Equity attributable to owners of the Company		1,365,273,900	1,410,862,818
Non-controlling interests		(3,681,223)	(3,681,223)
Total equity		1,361,592,677	1,407,181,595
Liabilities			
Non-current liabilities			
Loans and borrowings	14	1,342,627,579	1,231,538,748
Provision for employees' end of service benefits		23,854,409	22,807,254
		1,366,481,988	1,254,346,002
Current liabilities			
Trade and other payables		197,456,003	177,371,832
Loans and borrowings	14	152,684,467	141,636,259
		350,140,470	319,008,091
Total liabilities		1,716,622,458	1,573,354,093
TOTAL EQUITY AND LIABILITIES		3,078,215,135	2,980,535,688

This condensed consolidated interim financial statements was approved by the Board of Directors and was signed on its behalf on 20 April 2016 by:

Abdulla Fahad J J Al Thani
Chairman

Fahad Hamad J J Al Thani
Vice Chairman

The notes on pages 6 to 15 form an integral part of this condensed consolidated interim financial statements.

Gulf Warehousing Company Q.S.C.

Condensed consolidated statement of profit or loss and other comprehensive income

For the three month period ended 31 March 2016

In Qatari Riyals

	Notes	For the three month period ended	
		31 March 2016 (Reviewed)	31 March 2015 (Reviewed)
Revenue	16	220,208,915	192,395,734
Direct costs	17	<u>(144,444,177)</u>	<u>(124,625,575)</u>
Gross profit		75,764,738	67,770,159
Other income		4,623,345	3,937,176
Administrative and other expenses	17	<u>(26,199,203)</u>	<u>(21,090,505)</u>
Operating profit		54,188,880	50,616,830
Finance income		1,717,350	130,868
Finance costs		<u>(9,352,946)</u>	<u>(10,326,860)</u>
Profit for the period		46,553,284	40,420,838
Other comprehensive income		-	-
Total comprehensive income for the period		46,553,284	40,420,838
Profit and total comprehensive income for the period attributable to:			
Owners of the Company		46,553,284	40,420,838
Non-controlling interests		-	-
		46,553,284	40,420,838
Basic and diluted earnings per share	18	0.82	0.78

The notes on pages 6 to 15 form an integral part of this condensed consolidated interim financial statements.

Gulf Warehousing Company Q.S.C.

Condensed consolidated statement of changes in equity For the three month period ended 31 March 2016

In Qatari Riyals

	Share capital	Shares subscribed but not yet issued	Legal reserve*	Retained earnings	Total	Non- controlling interests	Total equity
	Attributable to owners of the Company						
Balance at 1 January 2015 (Audited)	475,609,750	-	237,804,875	158,900,285	872,314,910	(3,681,223)	868,633,687
Profit for the period	-	-	-	40,420,838	40,420,838	-	40,420,838
<i>Transaction with owners of the Company:</i>							
Dividend (Note 13)	-	-	-	(71,341,463)	(71,341,463)	-	(71,341,463)
Balance at 31 March 2015 (Reviewed)	475,609,750	-	237,804,875	127,979,660	841,394,285	(3,681,223)	837,713,062
Balance at 1 January 2016 (Audited)	475,609,750	429,361,153	237,804,875	268,087,040	1,410,862,818	(3,681,223)	1,407,181,595
Profit for the period	-	-	-	46,553,284	46,553,284	-	46,553,284
<i>Transaction with owners of the Company:</i>							
Dividends (Note 13)	-	-	-	(87,904,707)	(87,904,707)	-	(87,904,707)
<i>Other movements:</i>							
Issue of ordinary shares – Right issue (Note 12)	110,421,730	(425,123,658)	314,701,928	-	-	-	-
Excess rights refunded to share holders	-	(4,237,495)	-	-	(4,237,495)	-	(4,237,495)
Balance at 31 March 2016 (Reviewed)	586,031,480	-	552,506,803	226,735,617	1,365,273,900	(3,681,223)	1,361,592,677

*LEGAL RESERVE

In accordance with Qatar Commercial Companies' Law No. 11 of 2015, an amount equal to 10% of the net profit for the year of every company incorporated in the State of Qatar is required to be transferred to a legal reserve account until such time the balance of the legal reserve account of such a company reaches 50% of its paid up share capital. Share premium collected from the issuance of new shares also transferred to legal reserve. The legal reserve is not available for distribution except in circumstances specified in the above mentioned Law.

The notes on pages 6 to 15 form an integral part of this condensed consolidated interim financial statements.

Gulf Warehousing Company Q.S.C.

Notes to the condensed consolidated interim financial statements

For the three month period ended 31 March 2016

In Qatari Riyals

	Notes	For the three month period ended	
		31 March 2016 (Reviewed)	31 March 2015 (Reviewed)
Cash flows from operating activities			
Profit for the period		46,553,284	40,420,838
<i>Adjustments for:</i>			
Depreciation of property, plant and equipment	17	25,126,293	21,099,137
Amortisation of intangible assets	17	1,517,698	1,517,698
Provision for impairment of trade receivables (net)	9	376,333	300,000
profit on sale of property, plant and equipment		(670,426)	(60,732)
Provision for employees' end of service benefits		1,554,952	1,852,747
Finance income		(1,717,350)	(130,868)
Finance costs		9,352,946	10,326,860
		<u>82,093,730</u>	<u>75,325,680</u>
<i>Change in:</i>			
-Inventories		(151,578)	(476,388)
-Trade and other receivables	9	(27,177,419)	(32,752,962)
-Trade and other payables		2,908,321	(8,680,956)
-Retention payable		16,492,080	(6,076,488)
		<u>74,165,134</u>	<u>27,338,886</u>
Cash generated from operating activities		(507,797)	(234,154)
Employees' end of service benefits paid			
Net cash from operating activities		<u>73,657,337</u>	<u>27,104,732</u>
Cash flows from investing activities			
Acquisition of property, plant and equipment		(10,234,783)	(13,813,079)
Proceeds from sale of property, plant and equipment		2,255,000	234,500
Additions to projects in progress		(182,432,549)	(14,936,947)
Finance income received		1,717,350	130,868
Net cash used in investing activities		<u>(188,694,982)</u>	<u>(28,384,658)</u>
Cash flows from financing activities			
Proceeds from loans and borrowings		136,935,661	9,045,988
Repayment of loans and borrowings		(14,798,622)	(14,615,370)
Finance costs paid		(8,669,178)	(6,134,129)
Excess rights refunded to share holders		(4,237,495)	-
Dividends paid	13	(87,904,707)	(71,341,463)
Net cash used in financing activities		<u>21,325,659</u>	<u>(83,044,974)</u>
Net decrease in cash and cash equivalents		<u>(93,711,986)</u>	<u>(84,324,900)</u>
Cash and cash equivalents at 1 January		586,450,755	160,228,239
Cash and cash equivalents at 31 March	10	<u>492,738,769</u>	<u>75,903,339</u>

The notes on pages 6 to 15 form an integral part of this condensed consolidated interim financial statements.

Gulf Warehousing Company Q.S.C.

Notes to the condensed consolidated interim financial statements

For the three month period ended 31 March 2016

1. LEGAL STATUS AND PRINCIPAL ACTIVITIES

Gulf Warehousing Company Q.S.C. (the "Company") is incorporated in accordance with the provisions of the Qatar Commercial Companies Law No. 11 of 2015 as a Qatari Shareholding Company, and was registered with the Ministry of Economy and Commerce of the State of Qatar with the Commercial Registration number 27386 dated 21 March 2004. The Company's shares are listed on the Qatar Stock Exchange since 22 March 2004. The Company is domiciled in the State of Qatar, where it also has its principal place of business.

The condensed consolidated interim financial statements of the Company comprise the Company and its subsidiaries (together referred to as the "Group").

The principal activities of the Group which have not changed since the previous period are the provision of logistics (warehousing, inland transportation of goods for storage, international moving and relocation, express courier and records management) and freight forwarding (land, sea or air) services.

The details of Group's operating subsidiaries are as follows:

Name of subsidiary	Country of incorporation	Nature of business	Group effective shareholding %	
			31 March 2016	31 December 2015
Agility W.L.L.	State of Qatar	Logistics and transportation	100%	100%
GWC Global Cargo & Transport L.L.C.	United Arab Emirates	Warehousing and transportation	100%	100%
GWC Logistic S.P.C.	Kingdom of Bahrain	Operation and management of general warehouse	100%	100%

The Group also has the following non-operational subsidiaries:

Name of subsidiary	Country of incorporation	Nature of business	Group effective shareholding %	
			31 March 2016	31 December 2015
GWC Chemicals W.L.L.	State of Qatar	Chemical trading and transportation	100%	100%
GWC Food Services W.L.L. (Formerly GWC Projects)	State of Qatar	Trading food	100%	100%
Imdad Sourcing & Logistic Group W.L.L.	State of Qatar	Trading food and other consumables	51%	51%
GWC Saudi Arabia – Branches in Riyadh, Dammam & Jeddah	Kingdom of Saudi Arabia	Preparation, development and management of warehouses	100%	100%
Gulf Warehousing Company Limited	Republic of Nigeria	Warehousing and transportation	100%	100%
GWC Marine Services	State of Qatar	Marine services	100%	100%
GWC Express	State of Qatar	Courier services	100%	100%

2. BASIS OF ACCOUNTING

Statement of compliance

These condensed consolidated interim financial statements have been prepared in accordance with IAS 34 “Interim Financial Reporting”, and should be read in conjunction with the Company’s last annual consolidated financial statements as at and for the year ended 31 December 2015 (the “last annual financial statements”). They do not include all the information required for a complete set of IFRS financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group’s financial position and performance since the last annual financial statements.

These condensed consolidated interim financial statements were authorised for issue by the Company’s Board of Directors on 20 April 2016.

3. USE OF JUDGEMENTS AND ESTIMATES

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

The significant judgments made by management in applying the Group’s accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the year ended 31 December 2015.

Measurement of fair values

When measuring the fair value of an asset or liability, the Group uses market observable data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows.

- Level 1: Quoted market price (unadjusted) in active markets for an identical assets or liabilities
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the assets or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices)
- Level 3: inputs for the assets or liability that are not based on observable market data (unobservable inputs)

If the inputs used to measure the fair value of an asset or liability might be categorised in different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Group recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

Management believes that as at the reporting date the fair values of the Group’s financial assets and liabilities approximated their carrying amounts.

4. SIGNIFICANT ACCOUNTING POLICIES

Except as described below, the accounting policies applied in these condensed consolidated interim financial statements are the same as those applied in the Group's consolidated financial statements as at and for the year ended 31 December 2015.

Changes in accounting policies

During the current period, the Group adopted the below amendments and improvements to the International Financial Reporting Standards that are effective for annual periods beginning on 1 January 2016:

- *Amendments to IAS 1 on Disclosure Initiative*
- *Amendments to IAS 16 and IAS 38 on clarification of acceptable methods of depreciation and amortization*
- *Amendments to IAS 16 and IAS 41 on Agriculture: Bearer plants*
- *Amendments to IAS 27 on equity method in Separate Financial Statements"*
- *Amendments to IFRS 11 on accounting for acquisitions of interests in Joint Ventures*
- *Amendments to IFRS 10, IFRS 12 and IAS 28 on investment entities applying the consolidation exception*
- *IFRS 14 "Regulatory Deferral Accounts"*
- *Annual improvements to IFRSs 2012-2014 cycle*

The adoption of the above amendments and improvements had no significant impact on the condensed consolidated interim financial statements.

5. SEGMENT INFORMATION

Basis of segmentation

The Group has the following three strategic divisions, which are its reportable segments. These divisions offer different services, and are managed by the Group separately for the purpose of making decisions about resource allocation and performance assessment.

The following summary describes the operations of each reportable segment:

Reportable segments	Operations
Logistics operations	Storage, handling, packing and transportation
Freight forwarding	Freight services through land, air and sea
Others	Trading

The Group's Chief Executive Officer reviews the internal management reports of each division at least quarterly.

There are varying level of integration between the Logistics and Freight forwarding segments. Inter-segment pricing is determined on an arm's length basis.

Gulf Warehousing Company Q.S.C.

Notes to the condensed consolidated interim financial statements

For the three month period ended 31 March 2016

In Qatari Riyals

5. SEGMENT INFORMATION (CONTINUED)

The following table presents revenue and profit information regarding the Group's operating segment for the three month period ended 31 March 2016:

	For the three month period ended 31 March 2016 (Reviewed)		For the three month period ended 31 March 2015 (Reviewed)	
	Segment revenue	Segment profit	Segment revenue	Segment profit / (loss)
Operating segments				
Logistic operations	146,947,331	39,786,331	125,564,245	34,743,044
Freight forwarding	73,261,584	3,541,758	66,831,489	2,506,116
Unallocated	-	3,225,195	-	3,171,678
	<u>220,208,915</u>	<u>46,553,284</u>	<u>192,395,734</u>	<u>40,420,838</u>

The following table presents segment assets of the Group's operating segments as at 31 March 2016:

	31 March 2016 (Reviewed)	31 December 2015 (Audited)
Operating segments		
Logistic operations	2,313,400,650	2,157,693,238
Freight forwarding	171,044,679	163,418,805
Others	7,436,659	8,810,224
Unallocated	586,333,147	650,613,421
	<u>3,078,215,135</u>	<u>2,980,535,688</u>

6. PROPERTY, PLANT AND EQUIPMENT

Acquisitions and disposals

During the three months ended 31 March 2016, the Group acquired assets with a cost of QR 10,235,045 (three months ended 31 March 2015: QR 12,006,048) and QR 149,494,199 worth of asset were transferred from Investment property due to self-occupation of the assets. For details refer Note 8.

Disposals

During the three months ended 31 March 2016, the Group disposed assets with a cost of QR 1,584,574 for a total amount of QR 2,255,000 resulting to a profit on disposal of QR 670,426 (three months ended 31 March 2015: the disposed assets with a cost of QR 173,768 for a total amount of QR 234,500 resulting to a profit on disposal of QR 60,732).

7. PROJECT IN PROGRESS

Project in progress represents the cost of assets under construction that are not available for use as at the reporting date. These assets comprise mainly the construction of the Logistics Village Qatar (LVQ) Phase V, Bu-sulba Project and Raslaffan. Upon completion, these assets will be used for providing logistics services and will be reclassified accordingly.

The amount of borrowing costs capitalized during the three month period ended 31 March 2016 was QR 2.3 million (31 March 2015: QR 1.8 million). The weighted average rate used to determine the amount of borrowing costs eligible for capitalization was 3.50% per annum, which is the effective interest rate of the specific borrowing.

Some of the assets under project in progress are secured against term loans. Refer to Note 14 for details.

Gulf Warehousing Company Q.S.C.

Notes to the condensed consolidated interim financial statements

For the three month period ended 31 March 2016

In Qatari Riyals

8. INVESTMENT PROPERTY

	Land	Building	Total
At 1 January 2015	111,545,185	61,423,675	172,968,860
Transfer from project in progress	-	755,000	755,000
Net gain from fair value adjustment	<u>8,897,960</u>	<u>3,630,450</u>	<u>12,528,410</u>
At 31 December 2015 (Audited)	120,443,145	65,809,125	186,252,270
Reclassified to Property, plant and equipment (1)	<u>(120,443,145)</u>	<u>(29,051,054)</u>	<u>(149,494,199)</u>
At 31 March 2016 (Reviewed)	<u>-</u>	<u>36,758,071</u>	<u>36,758,071</u>

- (1) On 1 January 2016 the Group occupied significant additional portions of land at Project ‘‘MIC’’, ‘‘Street 2’’ and Project ‘‘Street 43’’ that were previously substantially leased to third parties under finance lease agreements for own use. The owner-occupation of the Projects increased to a level construed by the management of the Company as significant based on its interpretation of the provisions of the International Accounting Standard 40 resulting therefore to a change in the use of land which necessitated the reclassification of the whole carrying value of land and buildings of these Projects from investment property to property, plant and equipment.

9. TRADE AND OTHER RECEIVABLES

	31 March 2016 (Reviewed)	31 December 2015 (Audited)
Trade receivables	306,048,483	227,241,602
Less: Provision for impairment of trade receivables (1)	<u>(21,256,970)</u>	<u>(20,880,637)</u>
Trade receivables, net	284,791,513	206,360,965
Advances to suppliers	185,737,642	195,355,614
Accrued revenue	14,429,308	39,977,064
Prepayments	45,250,471	62,771,108
Other receivables	<u>9,939,216</u>	<u>8,882,313</u>
	<u>540,148,150</u>	<u>513,347,064</u>

The Group has not disclosed the fair values of its trade receivables, other receivables, bank balances (including loans and borrowings), trade payables and other payables, because their carrying amounts are a reasonable approximation of their fair values.

- (1) The movements in the provision for impairment of trade receivables were as follows:

	31 March 2016 (Reviewed)	31 December 2015 (Audited)
Balance at 1 January	20,880,637	14,780,843
Provision made	<u>376,333</u>	<u>6,099,794</u>
Balance as at 31 March / 31 December	<u>21,256,970</u>	<u>20,880,637</u>

Gulf Warehousing Company Q.S.C.

Notes to the condensed consolidated interim financial statements

For the three month period ended 31 March 2016

In Qatari Riyals

10. CASH AND CASH EQUIVALENTS

	31 March 2016 (Reviewed)	31 December 2015 (Audited)
Cash in hand	1,211,972	1,153,207
Bank balance - current accounts	78,920,022	113,053,016
Cash at bank - deposit account (1)	400,000,000	35,000,000
Bank balance – restricted deposit accounts (2)	<u>12,606,775</u>	<u>437,244,532</u>
	<u>492,738,769</u>	<u>586,450,755</u>

(1) Deposits with an original maturity of less than 90 days are made for varying periods depending on the immediate cash requirements of the Group at commercial market rates.

(2) The restricted deposit accounts represent largely the funds received from the right issue (Note 11). These funds were restricted until the approval of issuance of the new shares resulting from the rights is obtained from the regulatory authorities of the State of Qatar, however the right issued approved in the current period and subsequently the funds are transferred to deposit account.

11. SHARE CAPITAL

Authorised, issued and fully paid up capital:

	31 March 2016 (Reviewed)	31 December 2015 (Audited)
In issue at 1 January	475,609,750	475,609,750
Issue of ordinary shares – Right issued (Note 11)	<u>110,421,730</u>	-
In issue at 31 December – fully paid	<u>586,031,480</u>	<u>475,609,750</u>
Authorised – par value QR 10	<u>58,603,148</u>	<u>47,560,975</u>

12. SHARES SUBSCRIBED BUT NOT YET ISSUED

At the Company's Extra Ordinary General Meeting held on 13 September 2015 the shareholders decided to increase the Company's share capital via a rights issue by offering new shares for subscription at the ratio of one share for every four shares held by eligible shareholders.

The Company's eligible shareholders were those listed on the shareholders' register held by the Qatar Stock Exchange at the end of the working day of 12 October 2015. These shareholders were entitled to new shares at the price of QR 38.5 (QR 10 Nominal Value + QR 28.5 Premium) per share. The subscription period was between 8 November 2015 and 25 November 2015.

As of the date of the issuance of these condensed consolidated interim financial statements, the new shares were approved by the regulatory authorities of the State of Qatar on 27 January 2016, consequently, have been shown as part of share capital.

13. DIVIDENDS

The dividend declared in respect of the profit for the year ended 31 December 2015 were QR 87.9 million (QR 1.5 per share) by the Board of Directors and approved by the shareholders at the Annual General Meeting held on 14 February 2016.

The dividend declared in respect of the profit for the year ended 31 December 2014 were QR 71.34 million (QR 1.5 per share) by the Board of Directors and approved by the shareholders at the Annual General Meeting held on 16 February 2015.

Gulf Warehousing Company Q.S.C.

Notes to the condensed consolidated interim financial statements

For the three month period ended 31 March 2016

In Qatari Riyals

14. LOANS AND BORROWINGS

	31 March 2016	31 December 2015
	(Reviewed)	(Audited)
LVQ term loans	1,067,918,226	1,033,095,042
Bu-sulba term loans	269,227,130	181,375,278
Other project loans	68,087,384	65,021,084
Other term loans	90,079,306	93,683,603
	<u>1,495,312,046</u>	<u>1,373,175,007</u>

Presented in the condensed consolidated statement of financial position as:

	31 March 2016	31 December 2015
	(Reviewed)	(Audited)
Current portion	152,684,467	141,636,259
Non-current portion	1,342,627,579	1,231,538,748
	<u>1,495,312,046</u>	<u>1,373,175,007</u>

15. RELATED PARTIES

The details of transactions and the balances with related parties were as follows:

Related party transactions

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

		For the three month period ended	
Nature of transactions		31 March 2016	31 March 2015
		(Reviewed)	(Reviewed)
Agility network	Revenue	<u>1,447,037</u>	<u>1,542,463</u>
Agility network	Purchase of services	<u>7,325,402</u>	<u>8,357,727</u>

Related party balances

Balances with related parties included in the condensed consolidated statement of financial position under trade and other receivables and trade and other payables are as follows:

	31 March 2016	31 December 2015
	(Reviewed)	(Audited)
Due from Agility network	<u>939,431</u>	<u>886,885</u>
Due to Agility network	<u>4,973,191</u>	<u>4,357,415</u>

Compensation of key management personnel

The remuneration of key management personnel during the period was as follows:

	For the three month period ended	
	31 March 2016	31 March 2015
	(Reviewed)	(Reviewed)
Short-term benefits	<u>510,000</u>	<u>360,000</u>
Employees' end of service benefits	<u>20,942</u>	<u>14,499</u>

Gulf Warehousing Company Q.S.C.

Notes to the condensed consolidated interim financial statements

For the three month period ended 31 March 2016

In Qatari Riyals

16. REVENUE

	For the three month period ended	
	31 March 2016	31 March 2015
	(Reviewed)	(Reviewed)
Logistic operations	146,947,331	125,564,245
Freight forwarding	73,261,584	66,831,489
	<u>220,208,915</u>	<u>192,395,734</u>

17. EXPENSES BY NATURE

	31 March 2016	31 March 2015
	(Reviewed)	(Reviewed)
Logistic costs	15,385,650	9,367,956
Freight forwarding charges	52,288,019	46,930,330
Board of Directors' remuneration	1,800,000	-
Staff costs	44,973,192	42,854,322
Manpower subcontract charges	2,320,648	638,935
Depreciation of property, plant and equipment	25,126,293	21,099,137
Amortization of intangible assets	1,517,698	1,517,698
Provision for impairment on trade receivables (Note 7)	376,333	300,000
Repairs and maintenance	8,695,351	7,254,092
Legal and professional fees	806,194	709,846
Rent	854,550	484,061
Fuel	2,966,610	4,719,690
Water and electricity	4,752,393	2,056,544
Insurance	1,103,265	1,047,020
Communication and postage	497,292	566,173
Advertisement	192,833	232,201
Travelling expenses	471,365	185,322
License and registration fees	1,436,335	435,980
Other expenses	5,079,359	5,316,773
	<u>170,643,380</u>	<u>145,716,080</u>

Expenses are divided into direct and indirect are as follows:

	31 March 2016	31 March 2015
	(Reviewed)	(Reviewed)
Direct cost	144,444,177	124,625,575
Administrative and other expenses	26,199,203	21,090,505
	<u>170,643,380</u>	<u>145,716,080</u>

Gulf Warehousing Company Q.S.C.

Notes to the condensed consolidated interim financial statements

For the three month period ended 31 March 2016

In Qatari Riyals

18. EARNINGS PER SHARE

Basic earnings per share are calculated by dividing the net profit for the period attributable to shareholders of the parent by the weighted average number of shares outstanding during the period.

There were no potentially dilutive shares outstanding at any time during the period and, therefore, the dilutive earnings per share are equal to the basic earnings per share.

	For the three month period ended	
	31 March 2016	31 March 2015
	(Reviewed)	(Reviewed)
Net profit for the period attributable to owners of the Company	<u>46,553,284</u>	<u>40,420,838</u>
Weighted average number of shares (1)	<u>56,623,426</u>	<u>51,750,265</u>
Basic and diluted earnings per share	<u>0.82</u>	<u>0.78</u>

(1) Weighted average number of shares

	31 March 2016	31 March 2015
	(Reviewed)	(Reviewed)
Qualifying shares on 1 January	47,560,975	47,560,975
Bonus element on right issue	4,189,290	4,189,290
Issue of ordinary shares- right issue	4,873,161	-
	<u>56,623,426</u>	<u>51,750,265</u>

19. CONTINGENCIES AND COMMITMENTS

	31 March 2016	31 December 2015
	(Reviewed)	(Audited)
Letters of guarantee	23,992,991	23,812,992
Performance bonds	<u>143,247,804</u>	<u>136,753,562</u>
	<u>167,240,795</u>	<u>160,566,554</u>

The Group has entered into capital commitments relating to certain construction contracts amounting to QR 715 million (2015: QR 789 million).

Future minimum rentals payable under non-cancellable operating leases were as follows:

	31 March 2016	31 December 2015
	(Reviewed)	(Audited)
Less than one year	4,067,187	3,473,059
Between one and five years	15,225,113	13,892,237
More than five years	<u>39,500,772</u>	<u>39,999,961</u>
	<u>58,793,072</u>	<u>57,365,257</u>

Gulf Warehousing Company Q.S.C.

Notes to the condensed consolidated interim financial statements

For the three month period ended 31 March 2016

In Qatari Riyals

20. COMPARATIVE FIGURES

Certain comparative figures have been reclassified to conform to the presentation in the current period's financial statements. Such reclassification did not have any impact on the net profit or the net assets of the Group for the previous period.

Independent auditors report on review of condensed consolidated interim financial statements on page 1.