GULF WAREHOUSING COMPANY Q.P.S.C.

CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2017

GULF WAREHOUSING COMPANY Q.P.S.C.

CONSOLIDATED FINANCIAL STATEMENTS
AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2017

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INDEPENDENT AUDITOR'S REPORT

To the shareholders of Gulf Warehousing Company Q.P.S.C.
Doha, State of Qatar

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Gulf Warehousing Company Q.P.S.C. (the "Company") and its subsidiaries (together with the Company, the "Group"), which comprise the consolidated statement of financial position as at 31 December 2017, and the consolidated statement of profit or loss and other comprehensive income, changes in equity and cash flows for the year then ended, and notes to the consolidated financial statements, including significant accounting policies and other explanatory information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at 31 December 2017, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISA). Our responsibilities under those standards are further described in the "Auditor's Responsibilities for the Audit of the Consolidated Financial Statements" section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants Code of Ethics (IESBA Code) and the ethical requirements that are relevant to our audit of the consolidated financial statements in the State of Qatar, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matter

Key audit matter is a matter that, in our professional judgment, is of most significance in our audit of the consolidated financial statements of the current year. We identified the following key audit matter which was addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on this matter.

INDEPENDENT AUDITOR’S REPORT (CONTINUED)

Report on the Audit of the Consolidated Financial Statements (Continued)

Key Audit Matter (continued)

Goodwill	
Refer to Note 8 to the consolidated financial statements.	
Key Audit Matter	How the matter was addressed in our audit
As at 31 December 2017 the Group had in its consolidated financial statements recognised goodwill of QR 98,315,463 (2016: QR 98,315,463). Goodwill is allocated between two Cash Generating Units (CGUs): Logistics services QR 53,090,350 (2016: QR 53,090,350) and Freight forwarding services QR 45,225,113 (2016: QR 45,225,113). The annual impairment of goodwill is considered to be a key audit matter due to the complexity of the accounting requirements and the significant judgement required in determining the assumptions to be used to estimate the recoverable amount. The recoverable amount of the CGUs, which is based on the higher of the value in use or fair value less costs to sell, has been derived from discounted forecast cash flow models. These models use several key assumptions, including estimates of future sales volumes and prices, operating costs, terminal value growth rates and weighted average cost of capital (discount rate).	Our audit procedures in this area included, among other things: • evaluating the competence and capabilities of the people within the Group who performed the impairment evaluation of the goodwill; • inquiring the people within the Group who performed the impairment evaluation of the goodwill so that we get a good understanding of the process followed; • involving our own valuation specialists to assist in evaluating the appropriateness of the key assumptions used in the report provided by the Group on which management has based its reported amounts of the Group’s goodwill in the consolidated financial statements; and • evaluating the adequacy of the relevant disclosures in the consolidated financial statements.

Other Information

The Board of Directors is responsible for the other information. The other information comprises the information included in the Group’s Annual Report of year 2017 (“Annual Report”) but does not include the consolidated financial statements and our auditor’s report thereon. The Annual Report is expected to be made available to us after the date of this auditor’s report.

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

Report on the Audit of the Consolidated Financial Statements (Continued)

Other Information (continued)

Our opinion on the consolidated financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, when we read the Annual Report, we conclude that there is a material misstatement therein, we are required to communicate the matter to the Board of Directors.

Responsibilities of the Board of Directors

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

In preparing the consolidated financial statements, the Board of Directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. "Reasonable assurance" is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISA will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

Report on the Audit of the Consolidated Financial Statements (Continued)

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements (continued)

As part of an audit in accordance with ISA, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.

- Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Board of Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

Report on the Audit of the Consolidated Financial Statements (Continued)

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements (continued)

We also provide the Board of Directors with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence and, where applicable, related safeguards.

From the matters communicated to the Board of Directors, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current year and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

We have obtained all the information and explanations we considered necessary for the purposes of our audit. The Company has maintained proper accounting records and its consolidated financial statements are in agreement therewith. Furthermore, the physical count of the inventories was carried out in accordance with established principles. We have read the report of the Board of Directors to be included in the Annual Report and the financial information contained therein is in agreement with the books and records of the Company. We are not aware of any violations of the Qatar Commercial Companies Law No. 11 of 2015 or the terms of the Company's Articles of Association and any amendments thereto having occurred during the year which might have had a material adverse effect on the Company's consolidated financial position or performance as at and for the year ended 31 December 2017.

14 January 2018
Doha
State of Qatar

Yacoub Hobeika
KPMG
Auditor's Registration No.289
Licensed by QFMA: External
Auditor's license No. 120153

GULF WAREHOUSING COMPANY Q.P.S.C.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2017

In Qatari Riyals

	Note	**31 December 2017**	31 December 2016
ASSETS			
Non-current assets			
Property, plant and equipment	5	1,960,097,114	1,462,910,948
Capital work-in-progress	6	769,326,117	1,096,436,581
Investment property	7	37,397,470	37,115,833
Intangible assets and goodwill	8	118,906,733	126,252,975
		2,885,727,434	2,722,716,337
Current assets			
Inventories		10,829,337	8,717,242
Trade and other receivables	9	525,147,090	521,320,680
Cash and cash equivalents	10	351,816,004	488,636,917
		887,792,431	1,018,674,839
Total assets		**3,773,519,865**	3,741,391,176
EQUITY AND LIABILITIES			
Equity			
Share capital	11	586,031,480	586,031,480
Legal reserve		552,506,803	552,506,803
Retained earnings		497,017,101	380,706,676
Equity attributable to owners of the Company		1,635,555,384	1,519,244,959
Non-controlling interests		(3,681,223)	(3,681,223)
Total equity		1,631,874,161	1,515,563,736
Liabilities			
Non-current liabilities			
Bank loans	12	1,525,481,830	1,681,967,270
Provision for employees' end of service benefits	13	30,895,993	26,507,473
		1,556,377,823	1,708,474,743
Current liabilities			
Bank loans	12	261,436,825	193,956,482
Trade and other payables	14	323,831,056	323,396,215
		585,267,881	517,352,697
Total liabilities		2,141,645,704	2,225,827,440
Total equity and liabilities		**3,773,519,865**	3,741,391,176

These consolidated financial statements were approved by the Company's Board of Directors on 14 January 2018 and were signed on its behalf by:

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Abdulla Fahad J J Al-Thani
Chairman

…………………………………………..

Fahad Hamad J J Al-Thani
Vice Chairman

The notes on pages 11 to 38 form an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2017 In Qatari Riyals

	Note	**31 December 2017**	31 December 2016
Revenue	16	966,887,737	849,530,566
Direct costs	18	(617,004,237)	(541,160,933)
Gross profit		349,883,500	308,369,633
Other income	17	16,065,589	18,609,754
Administrative and other expenses	18	(106,692,079)	(93,541,620)
Operating profit		259,257,010	233,437,767
Finance costs, net	19	(43,794,998)	(27,771,774)
Profit		215,462,012	205,665,993
Other comprehensive income		-	-
Total comprehensive income		215,462,012	205,665,993
Profit and total comprehensive income attributable to:			
Owners of the Company		**215,462,012**	205,665,993
Earnings per share			
Basic and diluted earnings per share	20	**3.68**	3.54

The notes on pages 11 to 38 form an integral part of these consolidated financial statements.

GULF WAREHOUSING COMPANY Q.P.S.C.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2017

In Qatari Riyals

	Share capital	Legal reserve	Retained earnings	Total	Non-controlling interests	Total equity
	Attributable to owners of the Company					
Balance at 1 January 2017	586,031,480	552,506,803	380,706,676	1,519,244,959	(3,681,223)	1,515,563,736
Total comprehensive income:						
Profit	-	-	215,462,012	215,462,012	-	215,462,012
Transactions with owners of the Company:						
Dividend relating to year 2016 (Note 21)	-	-	(93,765,037)	(93,765,037)		(93,765,037)
Other movement:						
Transfer to social and sports development fund (Note 14)	-	-	(5,386,550)	(5,386,550)	-	(5,386,550)
Balance at 31 December 2017	**586,031,480**	**552,506,803**	**497,017,101**	**1,635,555,384**	**(3,681,223)**	**1,631,874,161**

The notes on pages 11 to 38 form an integral part of these consolidated financial statements.

GULF WAREHOUSING COMPANY Q.P.S.C.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2017

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 2016	475,609,750	429,361,153	237,804,875	268,087,040	1,410,862,818	(3,681,223)	1,407,181,595
Total comprehensive income:							
Profit	-	-	-	205,665,993	205,665,993	-	205,665,993
Transactions with owners of the Company:							
Issue of ordinary shares – rights issue	110,421,730	(425,123,658)	314,701,928	-	-	-	-
Excess rights on shares refunded to shareholders	-	(4,237,495)	-	-	(4,237,495)	-	(4,237,495)
Dividend relating to year 2015 (Note 21)	-	-	-	(87,904,707)	(87,904,707)	-	(87,904,707)
	110,421,730	(429,361,153)	314,701,928	(87,904,707)	(92,142,202)	-	(92,142,202)
Other movement:							
Transfer to social and sports development fund (Note 14)	-	-	-	(5,141,650)	(5,141,650)	-	(5,141,650)
Balance at 31 December 2016	586,031,480	-	552,506,803	380,706,676	1,519,244,959	(3,681,223)	1,515,563,736

The notes on pages 11 to 38 form an integral part of these consolidated financial statements.

GULF WAREHOUSING COMPANY Q.P.S.C.

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2017

In Qatari Riyals

	Note	31 December 2017	31 December 2016
Cash flows from operating activities			
Profit		215,462,012	205,665,993
Adjustments for:			
Fair value gains on investment property	17	(281,637)	(357,761)
Gain on sale of property, plant and equipment	17	(1,259,670)	(1,062,476)
Depreciation of property, plant and equipment	18	120,545,836	100,558,984
Amortisation of intangible assets	18	7,346,242	6,242,808
Provision for impairment of trade receivables	18	2,336,475	1,276,333
Provision for employees' end of service benefits	18	7,665,410	5,342,157
Interest expense	19	54,098,225	38,223,287
Interest income	19	(10,303,227)	(10,451,513)
		395,609,666	345,437,812
Changes in:			
- Inventories		(2,112,095)	6,911
- Trade and other receivables		(7,658,093)	(1,244,362)
- Trade and other payables		33,585,409	158,942,269
Cash generated from operating activities		419,424,887	503,142,630
Contribution to social and sports development fund		(5,141,650)	(4,628,929)
Employees' end of service benefits paid	13	(3,276,890)	(1,641,938)
Net cash from operating activities		**411,006,347**	496,871,763
Cash flows from investing activities			
Acquisition of property, plant and equipment	5	(41,796,848)	(33,212,923)
Payments towards capital work-in-progress	6	(249,344,578)	(922,595,201)
Acquisition of intangible assets	8	-	(3,826,370)
Proceeds from sale of property, plant and equipment		1,779,558	3,550,318
Interest received		11,798,435	2,445,926
Net cash used in investing activities		**(277,563,433)**	**(953,638,250)**
Cash flows from financing activities			
Proceeds from bank loans	12	113,192,467	654,503,620
Repayment of bank loans	12	(202,197,564)	(154,779,184)
Interest paid		(87,493,693)	(48,629,585)
Excess rights on shares refunded to shareholders		-	(4,237,495)
Dividends paid to the Company's shareholders	21	(93,765,037)	(87,904,707)
Net cash (used in) / from financing activities		**(270,263,827)**	**358,952,649**
Net decrease in cash and cash equivalents		**(136,820,913)**	(97,813,838)
Cash and cash equivalents at 1 January		488,636,917	586,450,755
Cash and cash equivalents at 31 December	10	**351,816,004**	488,636,917

The notes on pages 11 to 38 form an integral part of these consolidated financial statements.

1. LEGAL STATUS AND PRINCIPAL ACTIVITIES

Gulf Warehousing Company Q.P.S.C. (the "Company") is incorporated in accordance with the provisions of the Qatar Commercial Companies Law No. 11 of 2015 as a Qatari Public Shareholding Company, and was registered at 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's name has changed from Gulf Warehousing Company Q.S.C. to Gulf Warehousing Company Q.P.S.C. during the year ended 31 December 2016 so as to comply with the Article 16 of the Qatar Commercial Companies Law No. 11 of 2015. The Company is domiciled in the State of Qatar, where it also has its principal place of business. The Company's registered office is at D Ring Road, Building number 92, Doha, State of Qatar.

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

The principal activities of the Group, which have not changed since the previous year, 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 the Group's operating subsidiaries are as follows:

Name of subsidiary	**Country of incorporation**	**Nature of business**	**Group effective shareholding %**	
			31 December 2017	31 December 2016
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%
GWC Logistics Holding L.L.C.	State of Qatar	Logistics and freight forwarding	100%	-

The Group also has the following non-operational subsidiaries:

Name of subsidiary	**Country of incorporation**	**Nature of business**	**Group effective shareholding %**	
			31 December 2017	31 December 2016
GWC Chemicals W.L.L.	State of Qatar	Chemical trading and transportation	100%	100%
GWC Food Services W.L.L.	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 W.L.L.	State of Qatar	Marine services	100%	100%
GWC Express W.L.L.	State of Qatar	Courier services	100%	100%

These consolidated financial statements were authorised for issue by the Board of Directors on 14 January 2018.

2. BASIS OF PREPARATION

a) Statement of compliance

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS).

b) Basis of measurement

These consolidated financial statements have been prepared under the historical cost convention, as modified by the revaluation of investment property.

c) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the “functional currency"). The Company has the Qatari Riyal (“QR”) as its functional currency. The subsidiary of the Company which is operating in the United Arab Emirates has the Emirati Dirham ("AED") as its functional currency, the one in the Kingdom of Bahrain the Bahraini Dinar (“BHD”), the one is the Kingdom of Saudi Arabia the Saudi Arabian Riyal (“SAR”), and the one in the Republic of Nigeria Naira (“NGN”)

The Group's presentation currency is the QR which is the Company’s functional currency, except as otherwise stated

d) Use of judgments and estimates

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

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognised prospectively.

Information about significant areas that involve a higher degree of judgment or complexity, or areas where assumptions or estimates have a significant risk of resulting in a material adjustment to the amounts recognised in the consolidated financial statements are as follows:

Going concern
Management has made an assessment of the Company’s ability to continue as a going concern and is satisfied that it has the resources to continue in business for the foreseeable future. The Group has been profitable, and it had positive net asset, working capital and cash flow positions as at the year end. Furthermore, management is not aware of any material uncertainties that may cast significant doubt upon the Company’s ability to continue as a going concern. Therefore, the Company’s consolidated financial statements continue to be prepared on a going concern basis.

Depreciation of property, plant and equipment
Items of property, plant and equipment are depreciated over their estimated individual useful lives. The determination of useful lives is based on the expected usage of the asset, physical wear and tear, technological or commercial obsolescence and impacts the annual depreciation charge recognized in the consolidated financial statements. Management reviews annually the residual values and useful lives of these assets. Future depreciation charge could be materially adjusted where management believes the useful lives differ from previous estimates.

Classification of property into investment property
Judgement is needed to determine whether a property qualifies as investment property. Based on an assessment made by management, some properties of the Group comprising buildings were classified into investment property on the grounds that they are not occupied substantially for use by or in the operations of the Group nor are for sale in the ordinary course of business, but are held primarily to earn rental income.

Fair valuation of investment property
The fair value of investment property is determined by valuations from an external professional real estate valuer using recognised valuation techniques and the principles of IFRS 13 “Fair Value Measurement”. These valuations entail significant estimates and assumptions about the future as set out in Note 7.

2. BASIS OF PREPARATION (CONTINUED)

d) Use of judgments and estimates (continued)

Impairment of non-financial assets (other than inventories)
The carrying amounts of the Group's non-financial assets other than goodwill (property, plant and equipment, and capital work-in-progress) are reviewed at each reporting date to determine whether there is any indication of impairment. The determination of what can be considered impaired requires judgement. As at the reporting date, management did not identify any evidence from internal reporting indicating impairment of an asset or class of assets. Goodwill is tested annually for impairment. The determination of the recoverable amount of goodwill requires management to make significant judgments, estimations and assumptions. These are disclosed in Note 7.

Impairment of receivables
The carrying amounts of receivables are reviewed at each reporting date to determine whether there is any indication of impairment. If such indication exists, then an impairment test is performed by the management. Management uses considerable judgment to estimate any irrecoverable amounts of receivables, determined by reference to past default experience of a counterparty and an analysis of the counterparty's financial situation.

Provision of inventories
When inventories become old or obsolete, an estimate is made of their net realizable value. For individually significant amounts this estimation is performed on an individual basis. Amounts which are not individually significant, but which are old or obsolete, are assessed collectively and a provision applied according to the inventory type and the degree of ageing or obsolescence, based on historical selling prices. The necessity and setting up of a provision for slow moving and obsolete inventories requires considerable degree of judgment.

Provision for employees' end of service benefits
Management has measured the Group's obligation for the post-employment benefits of its employees based on the provisions of the relevant labour laws. Management does not perform an actuarial valuation as required by International Accounting Standard 19 "Employee Benefits" as it estimates that such valuation does not result to a significantly different level of provision The provision is reviewed by management at the end of each year, and any change to the projected benefit obligation at the year-end is adjusted in the provision for employees' end of service benefits in the profit or loss.

Other provisions and liabilities
Other provisions and liabilities are recognized in the period only to the extent management considers it probable that there will be a future outflow of funds resulting from past operations or events and the amount of cash outflow can be reliably estimated. The timing of recognition and quantification of the liability require the application of judgment to existing facts and circumstances, which can be subject to change. Since the actual cash outflows can take place in subsequent years, the carrying amounts of provisions and liabilities are reviewed regularly and adjusted to take account of changing facts and circumstances. A change in estimate of a recognized provision or liability would result in a charge or credit to profit or loss in the period in which the change occurs.

Contingent liabilities
Contingent liabilities are determined by the likelihood of occurrence or non-occurrence of one or more uncertain future events. Assessment of contingent liabilities is tightly connected with development of significant assumptions and estimates relating to the consequences of such future events.

2. BASIS OF PREPARATION (CONTINUED)

e) Newly effective amendments and improvements to standards

During the current year, the below amended International Financial Reporting Standards ("IFRS" or "standards") and improvements to standards became effective for the first time for financial years ending 31 December 2017:

- *Amendments to IAS 7 "Disclosure Initiative"*
- *Amendments to IAS 12 on recognition of deferred tax assets for unrealised losses*
- *Annual improvements to IFRSs 2014-2016 cycle – various standards*

The adoption of the above amended standards and improvements to standards had no significant impact on the Group's consolidated financial statements.

f) New and amended standards not yet effective, but available for early adoption

The below new and amended International Financial Reporting Standards ("IFRS" or "standards") that are available for early adoption for financial years ending 31 December 2017 are not effective until a later period, and they have not been applied in preparing these consolidated financial statements.

Adoption expected to impact the Group's consolidated financial statements

IFRS 9 "Financial Instruments" (Effective for year ending 31 December 2018)

IFRS 9 published in July 2014, replaces the existing IAS 39 Financial Instruments: Recognition and Measurement. IFRS 9 includes revised guidance on the classification and measurement of financial instruments, including a new expected credit loss model for calculating impairment on financial assets, and the new general hedge accounting requirements. It also carries forward the guidance on recognition and derecognition of financial instruments from IAS 39. IFRS 9 is effective for annual reporting periods beginning on or after 1 January 2018, with early adoption permitted. The Group has assessed the potential impact on its consolidated financial statements resulting from the initial application of IFRS 9, and the estimated impact as at 1 January 2018 is summarized in the table below:

Line item impacted in the financial statements	As reported at 31 December 2017	Estimated adjustments due to adoption of IFRS 9	Estimated adjusted opening balances as at 1 January 2018
Trade and other receivables (1)	303,509,021	(23,735,049)	279,773,972
Retained earnings	497,017,101	(23,735,049)	473,282,052

(1) The above decrease in the trade and other receivables is due to additional impairment losses resulting from the expected credit losses model introduced by IFRS 9.

IFRS 16 "Leases" (Effective for year ending 31 December 2019)

IFRS 16 requires most leases to present right-of-use assets and liabilities on the statement of financial position. IFRS 16 also eliminates the current dual accounting model for leases, which distinguishes between on-balance sheet finance leases and off-balance sheet operating leases. Instead, IFRS 16 introduces a single on-balance sheet accounting model that is similar to the current accounting for finance leases. The lessor accounting will remain similar to the current practice, i.e. the lessors will continue to classify leases as finance and operating leases. The Group is assessing the potential impact on its consolidated financial statements resulting from the application of IFRS 16. Early adoption is permitted only if IFRS 15 is also adopted.

2. BASIS OF PREPARATION (CONTINUED)

f) New and amended standards not yet effective, but available for early adoption (continued)

Adoption not expected to impact the Group's consolidated financial statements

Effective for year ending 31 December 2018	• Amendments to IFRS 2 on classification and measurement of share based payment transactions • IFRS 15 "Revenue from Contracts with Customers"
Effective date to be determined	• Amendments to IFRS 10 and IAS 28 on sale or contribution of assets between an investor and its associate or joint venture

The principal accounting policies of the Group applied in the preparation of these consolidated financial statements are set out below. These policies have been applied consistently to both years presented in these consolidated financial statements.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a) Basis of consolidation

Business combinations

The Group accounts for business combinations using the acquisition method when control is transferred to the Group. The consideration transferred in the acquisition is generally measured at fair value, as are the Identifiable net assets acquired. Any goodwill that arises is tested annually for impairment (See section 3 (g) "Impairment", sub-section "Non-financial assets").

Non-controlling interests (NCI)

NCI are measured at their proportionate share of the acquiree's identifiable net assets at the acquisition date. Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

Loss of control

When the Group loses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary, and any related NCI and other components of equity. Any resulting gain or loss is recognised in profit or loss. Any interest retained in the former subsidiary is measured at fair value when control is lost.

Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions are eliminated.

b) Property, plant and equipment

Recognition and measurement

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

Cost includes expenditure that is directly attributable to the acquisition of an asset. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

b) Property, plant and equipment (continued)

Recognition and measurement (continued)

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment.

Subsequent expenditure

Subsequent expenditure is capitalized only if it is probable that future economic benefits associated with the expenditure will flow to the Group.

Depreciation

Depreciation is calculated to write off the cost of items of property, plant and equipment less their estimated residual values using the straight-line method over their estimated useful lives, and is recognised in profit or loss.

The estimated useful lives for the current year and the comparative year are as follows:

Buildings and lease hold land rights	25 years
Office equipment	3 to 5 years
Furniture & fixtures	4 years
Warehouse equipment	5 to 25 years
Motor vehicles	5 to 15 years
Tools and equipment	4 years

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

Derecognition

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use. Profits and losses on disposals of items of property, plant and equipment are determined by comparing the proceeds from their disposals with their respective carrying amounts, and are recognised net within profit or loss.

c) Capital work-in-progress

Capital work-in-progress comprises projects of the Group under construction and is carried at cost less impairment, if any. Capital work in progress is not depreciated. Once the construction of assets within capital work-in-progress is completed, they are reclassified to either the property, plant and equipment or the investment property, depending on their use, and are depreciated as from the moment they are put into use.

d) Investment property

Investment property represents buildings that are occupied substantially for use by third parties and are held by the Group to earn rentals.

Recognition and measurement

An investment property is recognized initially at cost of acquisition including any transaction costs and is subsequently measured at fair value, representing open market value determined annually by external valuers. Any change in fair value is recognised in profit or loss.

Subsequent expenditure

Subsequent expenditure is capitalized only if it is probable that future economic benefits associated with the expenditure will flow to the Group.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

d) Investment property (continued)

Derecognition

An item of investment property is derecognised upon disposal or when no future economic benefits are expected from its use. Profits and losses on disposals of items of investment property are determined by comparing the proceeds from their disposals with their respective carrying amounts, and are recognised net within profit or loss.

e) Intangible assets and goodwill

Recognition and measurement

Goodwill – Goodwill arising on the acquisition of subsidiaries is measured at cost less accumulated impairment losses.

Other intangible assets – Other intangible assets, which comprise “Customer contracts and related customer relationships” and the “Brand name” of Agility, that are acquired by the Group and have finite useful lives are measured at cost less accumulated amortization and any accumulated impairment losses.

Computer software – Computer software that is not an integral part of computer hardware and can be separately identified and that will probably generate economic benefits exceeding costs beyond one year, is measured at cost less accumulated amortization and any accumulated impairment losses.

Subsequent expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and brands, is recognised in profit or loss as incurred.

Amortization

Amortization is calculated to write off the cost of intangible assets less their estimated residual values, and is recognised in profit or loss. Goodwill is not amortised.

The estimated useful lives for the current year and the comparative year are as follows:

Customer contracts and related customer relationships:	4 - 10 years
Brand name:	10 years
Computer software:	3 years

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

f) Financial instruments

The Group classified its non-derivative financial assets into the following category: loans and receivables (Receivables, and cash at bank). The Group classified its non-derivative financial liabilities into the other financial liabilities category (Payables). The Group does not hold derivative financial instruments.

Non-derivative financial assets and financial liabilities – recognition and derecognition

The Group initially recognizes loans and receivables on the date when they are originated. Financial liabilities are initially recognized on the trade date.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

f) Financial instruments (continued)

Non-derivative financial assets and financial liabilities – recognition and derecognition (continued)

The Group derecognizes a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred, or it neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control over the transferred asset. Any interest in such derecognized financial assets that is created or retained by the Group is recognized as a separate asset or liability.

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

Financial assets and financial liabilities are offset and the net amount presented in the consolidated statement of financial position when, and only when, the Group has a legal right to offset the amounts and intends either to settle them on a net basis or to realize the asset and settle the liability simultaneously.

Non-derivative financial assets – measurement

Loans and receivables
These assets are initially recognized at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, they are measured at amortized cost using effective interest method.

Non-derivative financial liabilities – measurement

Non-derivative financial liabilities are initially recognized at fair value less any directly attributable transaction costs. Subsequent to initial recognition, these liabilities are measured at amortized cost using the effective interest method.

g) Impairment

Non-derivative financial assets

Financial assets are assessed at each reporting date to determine whether there is objective evidence of impairment.

Objective evidence that financial assets are impaired includes:

- default or delinquency by a debtor;
- restructuring of an amount due to the Group on terms that the Group would not consider otherwise;
- indications that a debtor will enter bankruptcy; or
- observable data indicating that there is measurable decrease in expected cash flows from a group of financial assets.

Financial assets measured at amortized cost

The Group considers evidence of impairment for these assets (receivables) at both an individual asset and a collective level. All individually significant assets are individually assessed for impairment.

Those found not to be impaired are then collectively assessed for any impairment that has been incurred but not yet individually identified. Assets that are not individually significant are collectively assessed for impairment. Collective assessment is carried out by grouping together assets with similar risk characteristics.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

g) Impairment (continued)

In assessing collective impairment, the Group uses historical information on the timing of recoveries and the amount of loss incurred, and makes an adjustment if current economic and credit conditions are such that the actual losses are likely to be greater or lesser than suggested by historical trends.

An impairment loss is calculated as the difference between an asset's carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. Losses are recognized in profit or loss and reflected in an allowance account. When the Group considers that there are no realistic prospects of recovery of the asset, the relevant amounts are written off. If the amount of impairment loss subsequently decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, then the previously recognized impairment loss is reversed through profit or loss.

Non-financial assets

At each reporting date, the Group reviews the carrying amounts of its non-financial assets (Property, plant and equipment, and capital work-in-progress, but not inventories) to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. Goodwill is tested annually for impairment.

For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or Cash Generating Units (CGUs). Goodwill arising from a business combination is allocated to CGUs or groups of CGUs that are expected to benefit from the synergies of the combination.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU.

An impairment loss is recognized if the carrying amount of an asset or CGU exceeds its recoverable amount.

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

An impairment in respect of goodwill is not reversed. For other assets, an impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognised.

h) Cash and cash equivalents

Cash and cash equivalents in the consolidated statement of financial position comprise cash at bank and in hand and short-term deposits with a maturity of three months or less.

For the purpose of the consolidated statement of cash flows, cash and cash equivalents consist of cash and short-term deposits as defined above, net of any outstanding bank overdrafts.

i) Share capital

Ordinary shares issued by the Company are classified as equity.

Share premium is the difference between the fair value of the consideration receivable for the issue of shares and the nominal value of the shares. The share premium is transferred to the legal reserve in accordance with Article 154 of the Qatar Commercial Companies Law. Incremental costs directly attributable to the issue of new shares are also deducted from the legal reserve.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

j) Legal reserve

The Company maintains a legal reserve in line with the requirements of the Qatar Commercial Companies Law No. 11 of 2015, which provides that a company should transfer a minimum amount of 10% of its profit in each year to a legal reserve until the balance in this legal reserve becomes equal to 50% of a company's paid-up share capital. Also, Article 154 of the Qatar Commercial Companies Law requires that the share premium on the issue of share capital as well as any incremental costs on the issue of shares is transferred to the legal reserve. This reserve is not available for distribution, except in circumstances specified in the above mentioned Law.

k) Provisions

A provision is recognised when:

- the Group has a present obligation (legal or constructive) as a result of a past event;
- it is probable that the Group will be required to settle the obligation; and
- a reliable estimate can be made of the amount of the obligation.

The amount of a provision is the present value, of the best estimate, of the amount required to settle the obligation. Provisions are reviewed annually to reflect current best estimates of the expenditure required to settle the obligations.

l) Revenue recognition

Revenue is measured at fair value of the consideration received or receivable and represents amounts receivable for sale of services in the ordinary course of the Group's activities, net of any trade discounts. The Group recognizes revenue from its services:

- when the amount of revenue can be reliably measured;
- when it is probable that future economic benefits will flow to the Group;
- in the accounting period in which the services are rendered; and
- when specific criteria have been met for each of the Group's activities as described below.

Revenue from logistic services

Logistic services provided by the Group comprises primarily inventory management and storage, order fulfilment and transportation services. Revenue from such services is recognised upon completion of the services.

Revenue from freight forwarding services

Freight forwarding represents purchasing transportation capacity from independent air, ocean and overland transportation providers and reselling that capacity to customers. Revenue from such services is recognised upon completion of services.

Rental income

Rental income arising on operating leases is recognised on a straight-line basis over the lease term.

Interest income

Interest income is recognised using the effective interest rate method.

l) Expenses recognition

Expenses are recognized in profit or loss when a decrease in future economic benefits related to a decrease in an asset or an increase of a liability has arisen and can be measured reliably.

An expense is recognized immediately in profit or loss when an expenditure produces no future economic benefits, or when, and to the extent that, future economic benefits do not qualify or cease to qualify for recognition in the consolidated statement of financial position as an asset, such as in the case of asset impairments.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

m) Leases

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to profit or loss on a straight line basis over the period of the lease. The Group does not have any finance leases.

n) Foreign currency

Foreign currency transactions and balances

Transactions in foreign currencies are translated into the respective functional currencies of Group companies at the exchange rates at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Foreign currency differences are recognized in profit or loss, Non-monetary items that are measured based on historic cost in a foreign currency are not translated.

Foreign operations

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on acquisition, are translated into Qatari Riyals at the exchange rates at the reporting date. The income and expenses of foreign operations are translated into Qatari Riyals at the average exchange rate of the reporting year (unless this rate is not a reasonable approximation of the exchange rate at the date of the transaction, in which case the exchange rates at the dates of the transactions are used).

Foreign exchange differences are recognised in Other Comprehensive Income and accumulated in the translation reserve. There were no such foreign exchange differences during the current year and the comparative year, because the currencies of the Group’s foreign subsidiaries are pegged to the Qatari Riyal, which is the Company’s functional currency and the Group’s presentation currency.

o) Earnings per share

The Group presents basic and diluted earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to the ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period. Diluted EPS is determined by adjusting the profit or loss attributable to the ordinary shareholders of the Company and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares, which comprises convertible notes and share options granted to employees, if any.

p) Segment reporting

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components, whose operating results are reviewed regularly by management (being the chief operating decision maker) to make decisions about resources allocated to each segment and assess its performance, and for which discrete financial information is available.

4. FINANCIAL INSTRUMENTS

a) Financial risk management

The Group has exposure to the following risks from its use of financial instruments:

- Credit risk;
- Liquidity risk; and
- Market risk.

This note presents information about the Group's exposure to each of the above risks, the Group's objectives, policies and processes for measuring and managing risk. Further quantitative disclosures are included throughout these consolidated financial statements.

The Board of Directors has the overall responsibility for the establishment and oversight of the Group's risk management framework. The Group's risk management policies are established to identify and analyse the risks faced by the Group and to monitor risks.

Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations.

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each counterparty. The Group's maximum exposure to credit risk as at the reporting date is the carrying amount of its financial assets, which are the following:

	2017	2016
Trade receivables	303,509,021	288,314,681
Other receivables	18,772,225	16,184,407
Cash at bank	350,622,544	487,416,020
At 31 December	**672,903,790**	791,915,108

Trade receivables

The Group renders services to around two thousand customers with its largest 5 customers accounting for 15% (2016: 34%) of its trade receivables. This significant concentration risk has been managed through enhanced monitoring and periodic tracking. The Group has a rigorous policy of credit screening prior to providing services on credit. Management evaluates the creditworthiness of each client prior to entering into contracts. Management also periodically reviews the collectability of its trade receivables and has a policy to provide any amounts whose collection is no longer probable and to write-off as bad debts any amounts whose recovery is unlikely. As a result, management believes that there is no significant credit risk on its trade receivables as presented on the consolidated statement of financial position.

The movements in the provision for impairment of trade receivables is disclosed in Note 9.

The ageing of trade receivables that were not impaired were as follows:

	2017	2016
Neither past due nor impaired	25,732,756	11,361,192
Past due 1-30 days	79,499,463	53,777,975
Past due 31-60 days	64,359,987	58,412,785
Past due 61-90 days	33,104,276	37,176,967
Past due over 90 days	125,305,984	149,742,732
At 31 December	**328,002,466**	310,471,651

4. FINANCIAL INSTRUMENTS (CONTINUED)

a) Financial risk management (continued)

Trade receivables (continued)

Not past due are those receivables for which either the contractual or "normal" payment date has not yet elapsed. Past due are those amounts for which either the contractual or the "normal" payment date has passed.

Management believes that the unimpaired amounts that are past due are still collectible in full, based on historical payment behaviour and extensive analysis of customer credit base.

Trade receivables do not bear interest.

The Group does not require collateral as security in respect of its trade receivables.

Cash at bank

The Group's cash at bank is held with banks that are independently rated by credit rating agencies as follows:

	2017	2016
Credit ratings		
A1	23,493,581	47,617,669
A2	327,128,963	439,798,351
At 31 December	**350,622,544**	487,416,020

Credit ratings by Moody's

Therefore, the Group's bank deposits are held with credit worthy and reputable banks with high credit ratings. As a result, management believes that credit risk in respect of these balances is minimal.

Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. Management's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

4. FINANCIAL INSTRUMENTS (CONTINUED)

a) Financial risk management (continued)

Liquidity risk (continued)

The table below summarizes the contractual undiscounted maturities of the Group's financial liabilities at the reporting date. The Group's financial liabilities include contractual interest payments. The Group's financial liabilities bear no netting arrangements with financial assets.

31 December 2017		**Contractual cash flows**			
	Carrying amount	**Total**	**1-12 months**	**1-5 years**	**More than 5 years**
Non-derivative financial liabilities					
Trade and other payables (1)	318,444,506	(318,444,506)	(318,444,506)	-	-
Bank loans (2)	1,786,918,655	(2,075,229,653)	(338,276,986)	(1,293,110,959)	(443,841,708)
	2,105,363,161	**(2,393,674,159)**	**(656,721,492)**	**(1,293,110,959)**	**(443,841,708)**

31 December 2016		**Contractual cash flows**			
	Carrying amount	**Total**	**1-12 months**	**1-5 years**	**More than 5 years**
Non-derivative financial liabilities					
Trade and other payables (1)	318,254,565	(318,254,565)	(318,254,565)	-	-
Bank loans (2)	1,875,923,752	(2,189,187,565)	(246,302,458)	(1,181,145,475)	(761,739,632)
	2,194,178,317	(2,507,442,130)	(564,557,023)	(1,181,145,475)	(761,739,632)

(1) Excluding accruals and provisions
(2) The interest payments on variable interest rate loans in the table above reflect market forward interest rates at the reporting date and these amounts may change as market interest rates change.

It is not expected that the cash flows included in the maturity analysis could occur significantly earlier, or at significantly different amounts

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4. FINANCIAL INSTRUMENTS (CONTINUED)

a) Financial risk management (continued)

Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates, will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

Currency risk

Foreign exchange risk arises when future commercial transactions or recognised assets or liabilities are denominated in a currency that is not the Group's functional currency. The Group is not exposed to significant foreign exchange risk as it primarily transacts in Qatari Riyal, which is the Group's presentation currency. Also, some transactions of the Group in the US Dollar, Bahrain Dinars, and UAE Dirhams bear no foreign currency risk as these currencies are pegged with the Qatari Riyal.

Interest rate risk

Interest rate risk arises when the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's interest rate risk arises mainly from interest bearing bank loans and bank deposits issued at variable rates, which expose it cash flow interest rate risk.

At 31 December 2017, if interest rates on Qatari Riyal-denominated interest bearing assets and borrowings had been 1% (2016: 1%) higher/lower with all other variables held constant, post-tax profit for the year would have been QR 17,869,187 (2016: QR 18,759,238) lower/higher, mainly as a result of higher/lower interest expense on floating rate borrowings. Therefore, management monitors the interest rate fluctuations on a continuous basis and acts accordingly.

b) Capital management

The primary objective of the Group's capital management is to ensure that it maintains a strong capital base in order to support its business and to sustain future development of the business. Management monitors its capital structure and makes adjustments to it, in light of economic conditions.

The Group monitors capital using a gearing ratio, which is calculated as net debt divided by total capital. The debt is calculated as total borrowings (non-current and current borrowings and bank overdrafts as shown on the statement of financial position) less cash and cash equivalents (excluding bank overdrafts). The total capital is calculated as "equity" as shown on the statement of financial position plus net debt.

	31 December 2017	31 December 2016
Bank loans (Note 12)	1,786,918,655	1,875,923,752
Less: Cash and cash equivalents (Note 10)	(351,816,004)	(488,636,917)
Net debt	1,435,102,651	1,387,286,835
Total equity	1,631,874,161	1,515,563,736
Total capital	3,066,976,812	2,902,850,571
Gearing ratio	**46.79%**	47.79%

4. FINANCIAL INSTRUMENTS (CONTINUED)

b) Capital management (continued)

The Group's capital management policy remained unchanged since the previous year as well as the gearing ratio.

The Group is not subject to any externally imposed capital requirements.

c) Fair value measurement

Fair value represents the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at a measurement date. The Group has not disclosed the fair values of its receivables, bank balances (including loans), and payables because their carrying amounts are a reasonable approximation of their fair values.

5. PROPERTY, PLANT AND EQUIPMENT

	Buildings [(1)]	Leasehold land rights	Office equipment	Furniture & fixtures	Warehouse equipment	Motor vehicles	Tools and equipment	Total
Cost								
At 1 January 2016	1,331,893,499	-	44,232,020	41,660,699	92,976,705	153,646,993	2,470,843	1,666,880,759
Additions	1,871,641	-	5,587,532	6,913,022	12,739,016	5,921,286	180,426	33,212,923
Disposals	-	-	-	-	-	(22,508,831)	-	(22,508,831)
Transfers from capital work-in-progress (Note 6)	75,423,552	-	1,460,080	-	-	-	-	76,883,632
Transfers from investment property (Note 7)	29,051,053	120,443,145	-	-	-	-	-	149,494,198
At 31 December 2016 / 1 January 2017	1,438,239,745	120,443,145	51,279,632	48,573,721	105,715,721	137,059,448	2,651,269	1,903,962,681
Additions	8,967,134	-	6,073,560	5,847,575	10,832,778	9,915,490	160,311	41,796,848
Disposals	-	-	(13,550)	-	-	(9,464,225)	-	(9,477,775)
Transfers from capital work-in-progress (Note 6)	563,152,076	-	-	3,527,256	9,775,710	-	-	576,455,042
At 31 December 2017	2,010,358,955	120,443,145	57,339,642	57,948,552	126,324,209	137,510,713	2,811,580	2,512,736,796
Accumulated depreciation								
At 1 January 2016	164,869,749	-	29,721,530	21,147,940	39,911,364	103,480,870	1,382,285	360,513,738
Depreciation (Note 18)	57,557,383	4,817,726	6,707,258	10,026,207	8,305,739	12,923,534	221,137	100,558,984
Disposals	-	-	-	-	-	(20,020,989)	-	(20,020,989)
At 31 December 2016 / 1 January 2017	222,427,132	4,817,726	36,428,788	31,174,147	48,217,103	96,383,415	1,603,422	441,051,733
Depreciation (Note 18)	76,444,704	4,817,726	6,692,746	10,804,296	10,050,729	11,498,218	237,417	120,545,836
Disposals	-	-	(7,738)	-	-	(8,950,149)	-	(8,957,887)
At 31 December 2017	298,871,836	9,635,452	43,113,796	41,978,443	58,267,832	98,931,484	1,840,839	552,639,682
Carrying amounts								
At 31 December 2017	**1,711,487,119**	**110,807,693**	**14,225,846**	**15,970,109**	**68,056,377**	**38,579,229**	**970,741**	**1,960,097,114**
At 31 December 2016	1,215,812,613	115,625,419	14,850,844	17,399,574	57,498,618	40,676,033	1,047,847	1,462,910,948

(1) Buildings are constructed on land leased from the State of Qatar. As at 31 December 2017, buildings with a carrying amount of QR 1,412,302,224 (2016: QR 846,388,845) were mortgaged against Mesaieed Industrial City, Ras Laffan Industrial City, Logistics Village Qatar (LVQ) and Bu Sulba term loans (Note 12 (i)).

6. CAPITAL WORK-IN-PROGRESS

	31 December 2017	31 December 2016
At 1 January	1,096,436,581	250,725,012
Additions	249,344,578	922,595,201
Transfers to property, plant and equipment (Note 5)	(576,455,042)	(76,883,632)
At 31 December	**769,326,117**	1,096,436,581

Capital work-in-progress comprises mainly construction work in relation to the Logistic Village Qatar Phase 5 and Bu-sulba projects.

The amount of borrowing costs capitalized during the year ended 31 December 2017 was QR 31,608,469 (2016: QR 21,731,505). The weighted average rate used to determine the amount of borrowing cost eligible for capitalization was 4.70% per annum (2016: 3.60% per annum), which is the effective interest rate of the specific borrowings. Buildings under constructions are mortgaged against certain bank loans (Note 12).

7. INVESTMENT PROPERTY

The Group's investment property currently comprises three properties obtained under operating leases, which were sub-leased to third parties for earning rentals.

	Land	**Buildings**	**Total**
At 1 January 2016	120,443,145	65,809,125	186,252,270
Fair value gains (1)	-	357,761	357,761
Reclassified to property, plant and equipment (2) (Note 5)	(120,443,145)	(29,051,053)	(149,494,198)
At 31 December 2016 / 1 January 2017	-	37,115,833	37,115,833
Fair value gains (1)	-	281,637	281,637
At 31 December 2017	**-**	37,397,470	**37,397,470**

(1) The fair valuations of all the three investment properties were performed as at 4 December 2017 by Al Haque Rental & Real Estate Office, an accredited independent valuer with a recognised and relevant professional qualification and with recent experience in valuing similar properties at similar locations.

The investment properties were valued using the market comparable approach. Under the market comparable approach, a property's fair value is estimated based on comparable transactions. The market comparable approach is based upon the principle of substitution, under which a potential buyer will not pay more for a property than the amount to buy a comparable substitute property. Management assumes that the operating lease agreements relating to the acquisition of the land on which the buildings of those properties were constructed from the State of Qatar, which have expiration dates, will be renewed in perpetuity. Consequently, it is not expected that the fair value of these properties will decline as these lease agreements approach their expiry dates. The unit of comparison applied by the valuer is the depreciated value for the buildings per square meter and the market price per square foot for the land.

(2) On 1 January 2016 the Group occupied significant additional portions of land at Project ''MIC'', Project "Street 2" and Project "Street 43" which were previously substantially leased to third parties under finance lease agreements. The owner-third party occupation ratio of these Projects increased to a level construed by management as significant based on its interpretation of the provisions of the International Accounting Standard 40 "Investment Property", which necessitated the reclassification of the whole carrying value of land and buildings of these Projects from investment property to property, plant and equipment (Note 5).

7. INVESTMENT PROPERTY (CONTINUED)

The following amounts in relation to the investment property have been recognised in profit or loss:

	31 December 2017	31 December 2016
Rental income (Note 17)	**14,475,936**	15,245,936
Direct operating expenses arising from investment property that generate rental income	**608,016**	608,016
Direct operating expenses that did not generate rental income	**306,950**	94,800

8. INTANGIBLE ASSETS AND GOODWILL

	Goodwill [1]	**Customer contracts and related customer relationships[2]**	**Brand name [2]**	**Computer software**	**Total**
Cost					
At 1 January 2016	98,315,463	10,231,500	52,780,500	-	161,327,463
Additions	-	-	-	3,826,370	3,826,370
At 31 December 2016 / 31 December 2017	98,315,463	10,231,500	52,780,500	3,826,370	165,153,833
Accumulated amortisation					
At 1 January 2016	-	6,267,800	26,390,250	-	32,658,050
Amortisation (Note 18)	-	792,740	5,278,050	172,018	6,242,808
At 31 December 2016 / 1 January 2017	-	7,060,540	31,668,300	172,018	38,900,858
Amortisation (Note 18)	-	792,740	5,278,050	1,275,452	7,346,242
At 31 December 2017	-	7,853,280	36,946,350	1,447,470	46,247,100
Carrying amounts					
At 31 December 2017	**98,315,463**	**2,378,220**	**15,834,150**	**2,378,900**	**118,906,733**
At 31 December 2016	98,315,463	3,170,960	21,112,200	3,654,352	126,252,975

(1) Goodwill

Goodwill was recognised on the acquisition of Agility W.L.L. in November 2010.

The goodwill tested for impairment is allocated to the below Cash-Generating Units (CGUs) acquired with Agility W.L.L. and represents the premium paid on its acquisition (i.e. the amount paid in excess of the aggregate of the individual fair values of the net assets acquired).

8. INTANGIBLE ASSETS AND GOODWILL (CONTINUED)

	Carrying amount of goodwill	
	31 December 2017	31 December 2016
Logistics services	53,090,350	53,090,350
Freight forwarding services	45,225,113	45,225,113
Total	**98,315,463**	98,315,463

Impairment is determined for goodwill by assessing the recoverable amount of each CGU (the higher of their fair values less cost of disposals and their "value in use") to which the goodwill relates. When the recoverable amount of the CGU is less than its carrying amount, an impairment loss is recognised.

Value-in-use calculations is determined using cash flow projections from financial budgets approved by management covering a five-year period. Their key assumptions used in value-in-use calculations are set out in the table below:

	Logistics services		Freight forwarding services	
	31 December 2017	31 December 2016	**31 December 2017**	31 December 2016
Compound annual volume growth (i)	**7.50%**	7.50%	**9.40%**	9.37%
Terminal growth rate (ii)	**4.50%**	3.00%	**4.50%**	3.00%
Discount rate (iii)	**10.70%**	11.20%	**11.70%**	12.20%

(i) Management determined the compound annual volume growth rate for each CGU over five-year forecast to be a key assumption. The volume of growth in each period is the main driver for revenue and costs. The compound annual volume growth rate is based on past performance and management's expectations of market developments.

(ii) The terminal growth rate does not exceed the long-term average growth rate for the business in which the CGUs operate. The long term growth rates used are consistent with the forecasts included in industry reports.

(iii) Discount rates represent the current market assessment of the risks specific to each CGU. The discount rate calculation is based on the specific circumstances of the Group and its operating segments.

Based on the above impairment test the management concluded that there is no impairment of goodwill (2016: no impairment was identified).

(2) Customer contracts and related customer relationships and brand name

These represent intangible assets acquired through the acquisition of Agility W.L.L. in November 2010. At that time, management determined these intangible assets had 10 years of useful life.

Management concluded that as at 31 December 2017 there is no impairment of these assets (2016: no impairment was identified).

9. TRADE AND OTHER RECEIVABLES

	31 December 2017	31 December 2016
Trade receivables	328,002,466	310,471,651
Less: Provision for impairment of trade receivables (1)	(24,493,445)	(22,156,970)
Trade receivables, net	303,509,021	288,314,681
Advances made to suppliers	27,417,260	80,954,767
Accrued revenue	75,914,231	47,711,233
Prepayments	99,534,353	88,155,592
Other receivables	18,772,225	16,184,407
	525,147,090	521,320,680

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

	31 December 2017	31 December 2016
At 1 January	22,156,970	20,880,637
Provision made (Note 18)	2,336,475	1,276,333
At 31 December	**24,493,445**	22,156,970

10. CASH AND CASH EQUIVALENTS

	31 December 2017	31 December 2016
Cash in hand	1,193,460	1,220,897
Cash at bank – current accounts (1)	48,391,443	82,003,667
Cash at bank – deposit account (2)	290,000,000	395,000,000
Cash at bank – restricted deposit accounts (3)	12,231,101	10,412,353
	351,816,004	488,636,917

(1) Current accounts earn no interest.

(2) 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 interest rates.

(3) The restricted deposit accounts represent the unclaimed dividend by the shareholders of the Company.

Cash and cash equivalents are denominated mainly in Qatari Riyals.

11. SHARE CAPITAL

	31 December 2017		31 December 2016	
Authorised, issued and fully paid:	**No. of shares**	**Value**	No. of shares	Value
Ordinary shares of QR 10 each as at 1 January/31 December	**58,603,148**	**586,031,480**	58,603,148	586,031,480

All ordinary shares rank equally with regard to the Company's residual assets. Holders of these shares are entitled to dividends as declared from time to time and are entitled to one vote per share at the general meetings of the Company.

12. BANK LOANS

The movements of bank loans were as follows:

	31 December 2017	31 December 2016
At 1 January	1,875,923,752	1,373,175,007
Additions	113,192,467	654,503,620
Repayments	(202,197,564)	(154,779,184)
Capitalisation of interest expense in grace period	-	3,024,309
At 31 December	**1,786,918,655**	1,875,923,752

	Years of maturity	**31 December 2017**	31 December 2016
LVQ loan (i)	2022-2023	954,334,799	1,080,742,114
Bu-sulba loans (ii)	2025	756,405,383	695,497,396
Other project loans (iii)	2022-2025	62,659,304	70,670,765
Other loans (iv)	2018	13,519,169	29,013,477
		1,786,918,655	1,875,923,752

The bank loans are presented in the consolidated statement of financial position as follows:

	31 December 2017	31 December 2016
Current portion	261,436,825	193,956,482
Non-current portion	1,525,481,830	1,681,967,270
	1,786,918,655	1,875,923,752

(i) A loan facility of QR 1,308,007,571 was obtained from local banks to finance the construction and development of Logistic Village Qatar ("LVQ") located in Street # 52 in Doha Industrial Area. The repayment on this facility began in April 2013. The loan facility bears interest at the Qatar Central Bank rate plus certain basis points with a floor of 3.5% - 5% per annum. The loan facility is secured against the Group's buildings at the LVQ. Revenues from the LVQ operations are also assigned to the lender.

(ii) These loans were obtained from local banks to finance the construction of the Bu-sulba project. These loans bear interest at the Qatar Central Bank rate plus certain basis points with a floor of 4% - 5% per annum. The loans are secured against the building under construction.

(iii) A loan of QR 73,624,636 was obtained from a local bank to finance capital work-in-progress of the Group. The repayment on this facility started in May 2016. The loan carries financing charges at the Qatar Central Bank rate plus certain basis points with a floor of 4% - 4.75% per annum. The loan is secured against the tangible assets under the projects.

(iv) The loan of QR 73,037,856 was obtained from a local bank to finance capital work-in-progress of the Group. The repayment on this facility began in November 2013. The loan bears interest at the Qatar Central Bank rate plus certain basis points with a floor of 5.1% per annum. The loan is secured against corporate guarantees of the Company and assignment of revenues to the lender.

The face value of the Group's bank loans s approximates the carrying amount. The carrying amounts are denominated in Qatari Riyals.

13. PROVISION FOR EMPLOYEES' END OF SERVICE BENEFITS

The movements in the provision for employees' end of service benefits were as follows:

	31 December 2017	31 December 2016
At 1 January	26,507,473	22,807,254
Provision made (Note 18)	7,665,410	5,342,157
Provision used	(3,276,890)	(1,641,938)
At 31 December	**30,895,993**	26,507,473

The Group has no expectation of settling its employees' end of service benefits obligation within 12 months from the balance sheet and, therefore, it has classified the obligation within non-current liabilities in the consolidated statement of financial position. The provision is not discounted to present value as the effect of the time value of money is not expected to be significant.

14. TRADE AND OTHER PAYABLES

	31 December 2017	31 December 2016
Trade payables	53,421,179	42,460,321
Accrued expenses	88,561,178	98,064,239
Other payables	108,778,631	80,884,702
Retentions payable to contractors of projects	67,683,518	96,845,303
Provision for contribution for social and sports fund (1)	5,386,550	5,141,650
	323,831,056	323,396,215

(1) The Company made an appropriation of QR 5,386,550 (2016: QR 5,141,650) to the Social and Sports Development Fund of the State of Qatar pursuant to the Qatar Law No. 13 of 2008. This amount represents 2.5% of the net profit for the year.

15. RELATED PARTIES

Related party transactions

Transactions with related parties included in the consolidated statement of profit or loss are as follows:

Related party	**Relationship**	**Nature of transactions**	**31 December 2017**	31 December 2016
Agility network	Affiliated entities	Revenue	**21,958,135**	21,486,269
Agility network	Affiliated entities	Purchase of services	**26,049,848**	23,301,657

Related party balances

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

	31 December 2017	31 December 2016
Receivable from Agility network	**3,142,364**	8,653,901
Payable to Agility network	**5,750,632**	4,749,971

15. RELATED PARTIES (CONTINUED)

Compensation of key management personnel

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

	31 December 2017	31 December 2016
Short-term benefits	16,158,197	14,156,833
Employees' end of service benefits	84,000	84,000
	16,242,197	14,240,833

16. REVENUE

	31 December 2017	31 December 2016
Logistic operations	652,759,517	589,296,733
Freight forwarding	314,128,220	260,233,833
	966,887,737	849,530,566

17. OTHER INCOME

	31 December 2017	31 December 2016
Rental income from investment property	14,475,936	15,245,936
Gain on sale of property, plant and equipment	1,259,670	1,062,476
Fair value gains on investment property	281,637	357,761
Sundry income	48,346	1,943,581
	16,065,589	18,609,754

18. EXPENSES BY NATURE

	31 December 2017	31 December 2016
Logistic costs	45,713,422	62,611,931
Freight forwarding charges	223,995,068	178,537,235
Board of Directors' remuneration	9,018,800	8,500,000
Staff cost (1)	189,295,850	176,536,432
Manpower subcontract charges	5,536,685	4,456,752
Depreciation of property, plant and equipment (Note 5)	120,545,836	100,558,984
Amortization of intangible assets (Note 8)	7,346,242	6,242,808
Provision for impairment on trade receivables (Note 9)	2,336,475	1,276,333
Repairs and maintenance	35,513,127	32,898,912
Legal and professional fees	2,555,218	2,348,185
Rent expense	2,958,000	3,195,655
Fuel cost	15,898,671	10,226,124
Water and electricity	29,695,338	19,651,863
Insurance cost	6,596,007	5,086,857
Communication and postage	2,234,004	1,769,040
Advertising expenses	1,410,156	707,180
Travelling expenses	1,264,070	983,507
License and registration fees	2,758,727	3,324,634
Miscellaneous expenses	19,024,620	15,790,121
	723,696,316	634,702,553

(1) Staff cost includes a provision for employees end of service benefits of QR 7,665,410 (2016: QR 5,342,157) (Note 13)

The expenses by nature are presented on the consolidated statement of profit or loss and other comprehensive income as follows:

	31 December 2017	31 December 2016
Direct cost	617,004,237	541,160,933
Administrative and other expenses	106,692,079	93,541,620
	723,696,316	634,702,553

19. FINANCE COSTS, NET

	31 December 2017	31 December 2016
Interest income on bank deposits	(10,303,227)	(10,451,513)
Interest expense on bank loans	54,098,225	38,223,287
	43,794,998	27,771,774

20. EARNINGS PER SHARE

	31 December 2017	31 December 2016
Profit attributable to the owners of the Company	**215,462,012**	205,665,993
Weighted average number of shares	**58,603,148**	58,114,997
Basic and diluted earnings per share	**3.68**	3.54

The weighted average numbers of shares have been calculated as follows:

	31 December 2017	31 December 2016
Qualifying shares on 1 January	58,603,148	47,560,975
Effect of rights issue	-	10,554,022
	58,603,148	58,114,997

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.

On 27 January 2016, the Company made a right issue of 11,042,173 shares at an exercise price of QR 38.5 per share and a theoretical ex-rights price consist of QR 62.04 per share.

21. DIVIDENDS

At the Board Meeting on 14 January 2018, a dividend in respect of the profit for the year ended 31 December 2017 of QR 1.7 per share amounting to a total dividend of QR 99,625,352 is to be proposed. These consolidated financial statements do not reflect this dividend payable, which will be accounted for in shareholders' equity as an appropriation of retained earnings in the year ending 31 December 2018.

At the Board Meeting on 5 January 2017, a dividend in respect of the profit for the year ended 31 December 2016 of QR 1.6 per share amounting to a total dividend of QR 93,765,037 was declared. The dividends were paid in year 2017. The dividends declared in respect of the profit for the year ended 31 December 2015 were QR 87,904,707 or QR 1.5 per share. They were paid in year 2016.

22. SEGMENT INFORMATION

Basis for 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 table below sets out the operations of each reportable segment.

Reportable segments	Operations
Logistics	Storage, handling, packing and transportation
Freight forwarding	Freight services through land, air and sea
Others	Rental income, fixed deposit income and others

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.

22. SEGMENT INFORMATION (CONTINUED)

The following table presents revenue and profit information regarding the Group's operating segments.

	31 December 2017		31 December 2016	
Operating segments	Segment revenue	Segment profit	Segment revenue	Segment profit
Logistics	652,759,517	173,000,275	589,296,733	167,474,112
Freight forwarding	314,128,220	17,989,524	260,233,833	12,231,471
Unallocated	-	24,472,213	-	25,960,410
	966,887,737	**215,462,012**	849,530,566	205,665,993

The following table presents segment assets as at 31 December 2017 and 31 December 2016:

	31 December 2017		31 December 2016	
Operating segments	Segment assets	Segment liabilities	Segment assets	Segment liabilities
Logistics	3,239,852,247	1,974,203,622	3,115,927,732	2,064,371,970
Freight forwarding	176,496,476	76,586,795	175,690,462	75,667,034
Others	8,263,293	90,855,287	9,651,562	85,788,437
Unallocated	348,907,849	-	440,121,420	-
	3,773,519,865	**2,141,645,704**	3,741,391,176	2,225,827,440

The segment revenue is generated mainly from the State of Qatar. The revenue generated from the overseas operations is insignificant

23. OPERATING LEASES

Leases as lessee

The Group leases a number of plots of land under operating leases from the State of Qatar. These leases run for a period of 5 to 30 years with an option to the Group for renewal on their expiry.

All the land leases were classified since their inception as operating leases. The Group does not have an interest in the residual value of the land. As a result, it was determined that substantially all of the risks and rewards of the land are with the lessor.

The future lease payments under non-cancellable operating leases were payable as follows:

	31 December 2017	31 December 2016
Less than one year	10,288,804	4,331,220
Between one and five years	40,370,932	17,294,614
More than five years	93,651,669	47,813,522
	144,311,405	69,439,356

23. OPERATING LEASES (CONTINUED)

The amounts recognised in the consolidated statement of profit or loss in respect of the land plot leases were as follows:

	31 December 2017	31 December 2016
Lease expense	(7,964,626)	(4,939,401)
Sub-lease income (Note 17)	14,475,936	15,245,936
	6,511,310	10,306,535

Leases as lessor

A number of land plots leased by the Group from the State of Qatar (see above) have been sub leased to third parties and have been classified as investment property (Note 7).

The future minimum lease income under non-cancellable leases was as follows:

	31 December 2017	31 December 2016
Less than one year	10,544,530	12,282,186
Between one and five years	-	8,688,280
	10,544,530	20,970,466

24. CONTINGENCIES AND COMMITMENTS

	31 December 2017	31 December 2016
Letters of guarantee	29,651,800	29,715,022
Performance bonds	149,452,494	143,703,876
	179,104,294	173,418,898

The Group has entered into capital commitments relating to certain construction contracts amounting to QR 67,500,000 (2016: QR 214,394,455).

25. COMPARATIVE FIGURES

The comparative figures for the previous year have been reclassified, where necessary, in order to conform to the current year's presentation. Such reclassifications do not affect the previously reported net profits, net assets or equity.

26. SUBSEQUENT EVENTS

There were no significant events after the reporting date, which have a bearing on the understanding of these consolidated financial statements

Independent Auditor's report on pages 1 to 5.