Annual Report 2014

10 YEARS OF
LOGISTICS
INNOVATION
DELIVERED

شركـــة الخليــج للمخـــــــازن
Gulf Warehousing Company
(ش.م.ق) (Q.S.C)

بسم الله الرحمن الرحيم

In the name of Allah,
the most Gracious, the most Merciful

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

His Highness
Sheikh Hamad Bin Khalifa Al Thani
Father Emir

Logistics

10

YEARS

Innovation

Delivered

The Making of a Leader

From a warehousing service provider to a logistics leader – in just 10 years!

Some have called it 'extraordinary'. Others have described it as 'spectacular'. Ascending the ladder to industry leadership in such a short time span is indeed exceptional. It makes us proud. It makes us think. And as we reflect, we find that the very fuel that propelled us to this level of success is still the one that keeps us on our toes. We find that it is the spirit and attitude with which we approach our mandate that sets us apart. An obligation set forth in our vision which never remained restricted to the walls of our offices. It is one which we have endeavored to act upon earnestly. And one that we continue to pursue, assiduously, every single day.

To be the leader is a worthy challenge, but to whose benefit? Isn't stability a core requirement to get there? Doesn't success lie in the details? Again, these were some of the questions that we grappled with from day-one. Issues which we successfully addressed, to the benefit of our nation and the world of logistics. And here we are, come of age 10 years on, stable, confident and rich with solutions, poised for the main ascent, into a future packed with promise.

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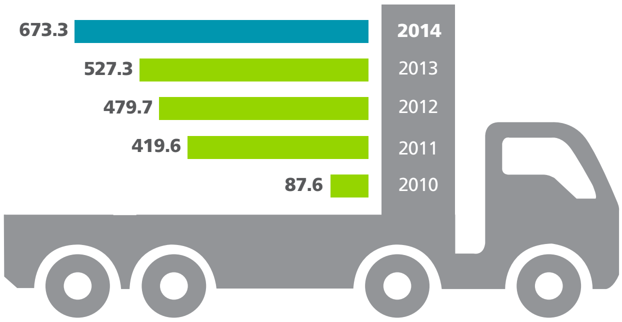
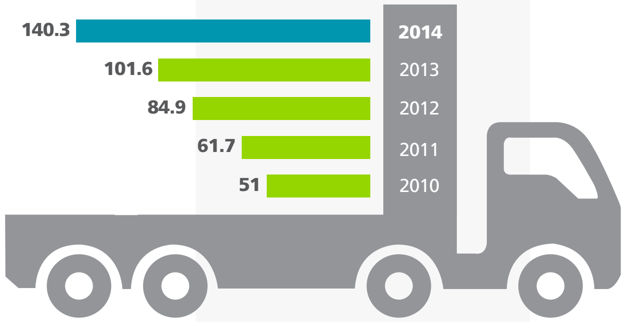
> “For Gulf Warehousing Company, Y2014 has been a year that exhibited excellent growth, even surpassing the very positive figures generated in each of the last three years.

Abdulla bin Fahad bin Jassem bin Jabor Al-Thani
Chairman

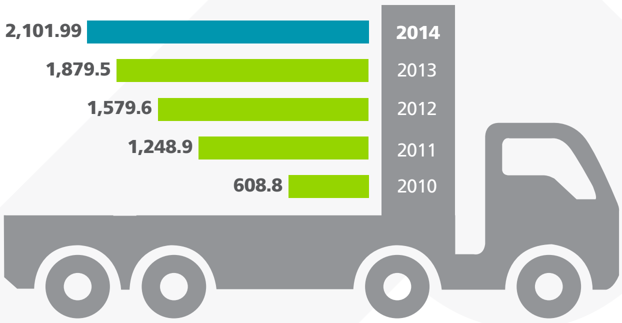
Financial Highlights



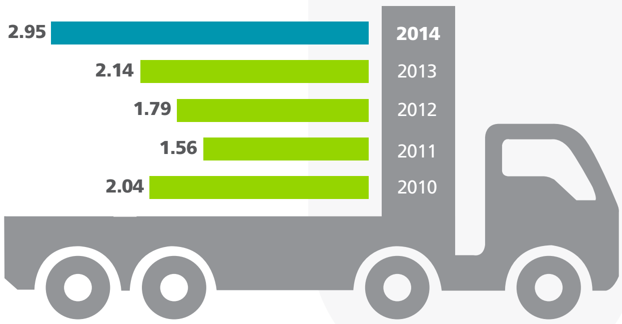
Gross Revenue (QR Million)



Net Profit (QR Million)



Total Assets (QR Million)



Earnings per Share (QR)

Purpose

To set a world-class standard in logistics operations, supporting Qatar in its vision of becoming a sustainable and diverse economy, and to ensure the best possible returns to our shareholders.

Passion

To achieve our 'Purpose' by fostering the drive and tenacity to innovate and deliver, never letting go of the values that have forged our success, and thereby, become the provider of choice.

"Having seen ourselves as a partner in Qatar's quest to become a nation of substance early enough, we had the foresight to formulate a clear road map to become the region's frontrunner in logistics by providing the most comprehensive solutions backed by a robust infrastructure.

Chairman's Message

Dear Shareholders,

It was indeed an honor to have been appointed as Chairman of one of the region's most progressive logistics companies especially during its tenth anniversary year. For Gulf Warehousing Company, Y2014 has been a year that exhibited excellent growth, even surpassing the very positive figures generated in each of the last three years. Today, we live in extraordinary times. We are in the midst of the nation's most aggressive stage of growth with all developmental efforts in fast-forward mode to meet the deadlines set for World Cup 2022 and the National Vision 2030. Recent numbers indicate that all stakeholders in the nation are investing an astounding USD 205 billion in infrastructure during the 2014–2018 period. In 2014-2015 alone, the government is investing USD 65 billion, which includes 80 new projects.

Over the last ten years, Gulf Warehousing Company (GWC) has grown to play an integral role within Qatar's economy, aiding multiple developmental projects of government agencies and ministries, major corporations and new SME startups. Having seen ourselves as a partner in Qatar's quest to become a nation of substance early enough, we had the foresight to formulate a clear road map to become the region's frontrunner in logistics by providing the most comprehensive solutions backed by a robust infrastructure. Today, it is gratifying to note that our company has fulfilled that vision to a great extent and that we are well on our way to be the service provider of choice. An extraordinary feat by any measure, it's one that would not have been possible but for the unflagging zeal and commitment of our management team, our staff and our workforce.

We ensure service levels and an infrastructure that is cutting-edge and scalable in its fullest sense. We work equally hard at continually upgrading our employees' expertise through sustained training programs and corporate support. We spare no effort in inculcating a shared sense of purpose among our people, through both social and development initiatives, from those that allow Qataris to work while they also learn how to manage companies of our scale, to introducing campaigns that promote social responsibility among the nation's youth, strengthening our status as a Qatari source of pride in the process. Adding to our optimism is the rising demand for outsourced services and facilities from an increasing number of corporations who are looking to focus on their core competencies.

Today, with Qatar's upbeat developmental activity, and with stability on our side, we look at a future that is promising. As a Qatari shareholding company, we see it as an opportunity to further recompense our stakeholders' investment and trust in us, and also to continue serving a nation that has given us an extraordinary platform to perform.

I would like to express my sincere gratitude to the guiding spirit of His Highness the Emir; His Excellency the Prime Minister and the Minister of Economy and Commerce, for their support; our shareholders, customers, management, and our staff at every level, for their exceptional contribution in making Y2014 the year it was.

Thank you.

Abdulla bin Fahad bin Jassem bin Jabor Al-Thani
Chairman

Board of Directors

Sheikh Abdullah Fahad J. J. Al-Thani
Chairman

Sheikh Fahad Hamad J. J. Al-Thani
Vice Chairman

Ahmed Mubarak N. A. Al-Maadid
Member

Dr. Hamad Saad M. Al-Saad
Member

Mohd. Thamer M. Al-Aseri
Member

Jassim Sultan J. Al-Rimaihi
Member

Mohammed Hassan Al-Emadi
Member

Hanadi Al-Saleh
Member

> It was our strong sense of 'purpose' that has made us the preferred provider in the industry. Today our expertise is exceptional, our infrastructure unsurpassed, and our technology cutting-edge.

Group CEO's Message

Dear Shareholders,

An anniversary is always special. A tenth one even more so. And as we look back we see what an eventful journey it has been. Starting out as a warehousing service provider, to have evolved to becoming the acknowledged logistics leader in Qatar in just ten years, is a feat that we should be exceptionally proud of. Today, as Gulf Warehousing Company stands on the threshold of an even more promising tomorrow, to me, and to many of you I'm sure, it is also a time to reflect, analyze and take stock.

If we were to examine our ascent, we will note the many aspects that have contributed to our success, how each have played their role, and how well they have blended to catapult us to where we are today. Very few companies can claim a genuinely shared sense of purpose that extends from shareholders to management to workforce. We can. Fewer still can assert that they have set industry benchmarks within just a few years of existence. We can. Almost no one can declare an almost overnight development of a complete world-class logistics infrastructure. We can.

So what is it that propelled us? I think it was our strong sense of 'purpose'. Our drive to be the preferred provider in the industry, in terms of service, scale and proficiency. Today our expertise is exceptional, our infrastructure unsurpassed, and our technology cutting-edge. How did we achieve that? Through sheer 'passion'. To be the best, the most comprehensive, to be the provider of choice – in Qatar and in the region.

We have laid the foundations. We have established that all-important stability with which we can launch ourselves into the future. The last few years have seen us pave that path with considerable efforts and substantial investments that enhanced our infrastructure and service capabilities. Today, our scale of operations is unmatched. It has given us the competitive advantage, and with it impressive growth and returns.

To get to the specifics, the completion of key asset development projects has definitely helped increase operations, particularly the launch of Phase IV at the Logistics Village Qatar (LVQ). The one million square meter fully-integrated logistics facility saw capacity expansion by 81,000 sqm of newly-developed storage and distribution facilities, complementing LVQ's existing full-range storage services like ambient, dry, chilled and frozen warehousing solutions, as well as bulk and open yard storage.

Additionally, GWC's Ras Laffan Industrial City Logistics Hub is undergoing an expansion with an additional area of 65,000 sqm in the West Side Support Services Area (WSSSA) and the development of an integrated logistics facility which is expected to be operational by Q1, 2016. Our Dubai office operations has also seen a significant rise in operations with continued expansion.

Contract Logistics, Freight Forwarding, Transport and Records Management also contributed to this growth through aggressive contract acquisitions across various business sectors. The Relocations, Project Logistics, Fine Art and Sports Logistics Divisions continue to provide high revenues, scoring major contracts with a number of ministries, financial institutions, the oil and gas sector, technology companies, and cultural organizations.

I am happy to report that throughout Y2014 our Company has seen a 38% growth in net profits with the aggressive acquisition of a number of valuable contracts. Gross Revenues for 2014 were reported at QAR 673.3 million as against QAR 527 million in 2013 – a 26% increase. Further, following the year-on-year growth, we see that we have experienced 50.23% CAGR in revenues over the last five years.

The Company aims to maintain the momentum gained from our previous year's organic growth in our operations and our net profits. The Bu Sulba Logistics Hub which is currently being developed will contribute significantly to our growth in the coming years. We will continue with our project augmentation, including the LVQ Phase V and Ras Laffan expansion.

We have taken our outsourced responsibilities seriously with our services, proficiencies and state-of-the-art technology allowing our customers to be more efficient and competitive in their marketplace. This has brought new clientele increasingly and we intend to ride on that momentum by seizing every opportunity presented to us in Qatar and in the region.

We have succeeded in establishing highly beneficial alliances with service providers in the region, which will add to GWC's revenue stream and take our service offerings to an entirely new level. Among these alliances is our partnership with Constantine UK. The newly instituted GWC-Constantine partnership will execute fine art logistics in the State of Qatar. The partnership will allow institutional and private collectors, museums and galleries to obtain the highest international standards of fine art logistics services right here in Qatar. GWC-Constantine Fine Art will provide their services to all indoor and outdoor installations, events, exhibitions and auctions hosted in Qatar.

Our Company's performance has not gone unnoticed considering the number of distinctions we received this year. Arabian Business Magazine

placed GWC amongst Qatar's 'Top 30 Companies' in 2014 by market cap. We were also presented the 'Logistics Excellence Award' at the 2014 Qatar Enterprise Agility Awards. Beyond being a clear acknowledgement of our considerable achievements and our status in the industry, these awards are recognition of GWC's longstanding commitment to developing Qatar's logistics infrastructure.

There is great truth in the statement that a company is only as good as its people. Without doubt it's our workforce that we need to felicitate for our continuing progress and success. They are the wind beneath our wings, understanding and inculcating the 'Purpose' of our existence with the 'Passion' that's expected!

To maintain that spirit and momentum, the Company has established a number of internal initiatives to develop our workforce internally. The best example of our continued commitment to our employees is the number of development trainings and workshops we offer, which, depending on the schedule, can reach between 45 to 50 trainings per month.

Our training sessions aim to enhance quality, transparency and accountability in the services offered by us and cover a wide variety of topics, including soft skills and managerial skills, technical training, health & safety training, and system training among others. The result has been an increase in employee self-development on the one hand, with many reporting an improvement in their skill-sets and their self-awareness, and the performance of duties and responsibilities in line with the industry's best practices on the other.

Today, in our tenth year of existence, we occupy an enviable position in the industry. As we look at the next ten years, we, the management and employees of GWC, are confident of winning the sustained approval of our shareholders, with our continued efforts to achieve and to offer the region and the world the best the industry can offer.

Ranjeev Menon
Group CEO

Management Team

Sunil Kambrath
Director - Business Solutions

Naji Nassar
Chief Commercial Officer

Bobby George
Director - Freight Forwarding

Segun Abayomi
Chief Audit Executive - Internal Audit & Compliance

Rajeswar Govindan
Chief Financial Officer

Ranjeev Menon
Group CEO

Shebel Salim El Khayatt
Chief Projects Officer


Abdulaziz M. Al-Sahlawi
Head of Public Relations
Setrak Khajikian
Director - Transport
Nader Hakim
Chief Operations Officer

Management Team

Natasha Jeyanthi Subramaniam
Head of Human Resources

Maged Emil Kamal
Senior Manager - Information Technology

Nawaf M. Al-Emadi
Chief Government Relations Officer

Melanie Cooray
Director - International Moving & Relocation Solutions

Company Overview

1

A LEADING LOGISTICS POWERHOUSE

No.1 3PL and 4PL Service Provider in Qatar

2

LISTED	EMPLOYEES	CUSTOMERS
2004	1,850+	1,500+ globally

3

WAREHOUSING FOOTPRINT

Warehouses and Distribution Centers	Open Yard	Container Yard	3PL Pallet Locations
420,000 sqm	150,000 sqm	50,000 sqm	200,000+

4

1,162 Trucks, Trailers and Specialized Vehicles

5

TOTAL ASSETS	MARKET CAPITALIZATION
> QAR 2 Billion	> QAR 2.5 Billion

6

INDUSTRY AWARDS

2014

Arabian Business 'Top 30 Qatari Companies'

Entrepreneur 'Inaugural Enterprise Agility Award for Logistics Excellence'

2013

Frost & Sullivan 'Qatar Domestic Logistics Service Provider of the Year'

2012

SCATA 'Best Logistics Infrastructure in the Middle East'

Arabian Business 'Best Logistics Company of the Year'

2011

SCATA '3PL Service Provider of the Year'

Arabian Business 'Best Logistics Company of the Year'

2010

Arabian Business 'Best Logistics Company of the Year'

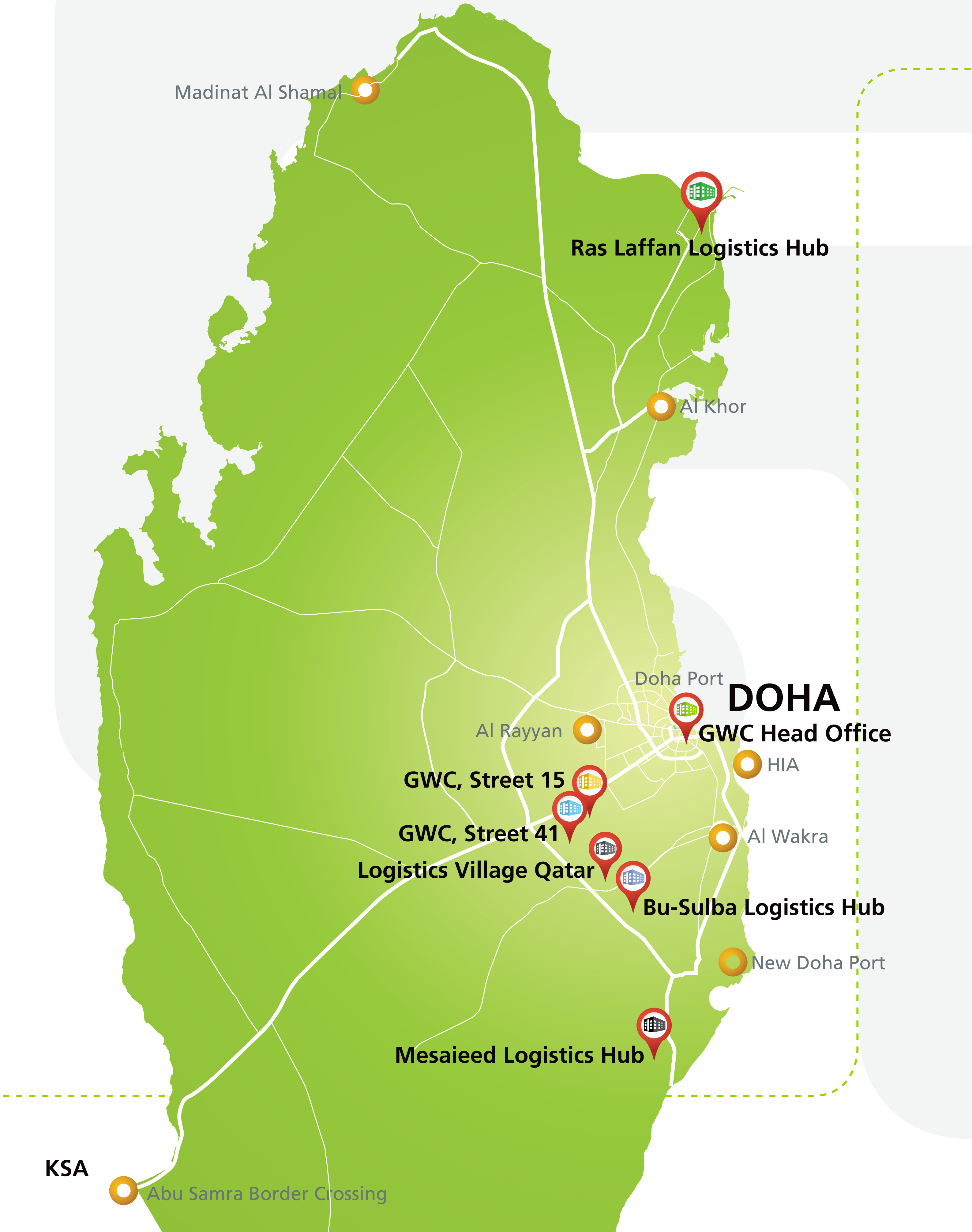
7 CERTIFICATIONS

Since 2012	ISO 27001:2005 Information Security Management Systems (ISMS)
Since 2010	ISO 14001:2004 Environmental Management Systems (EMS)
Since 2009	OHSAS 18001:2007 Safety Management System
Since 2007	ISO 9001:2008 Quality Management Systems (QMS)
Since 2007	ISO 22000:2005 Food Safety Management Systems (FSMS)

8 END-TO-END SUPPLY CHAIN SOLUTIONS

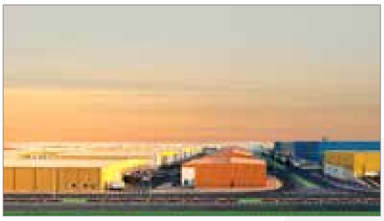
- GWC Contract Logistics
- GWC Hazmat
- GWC Forwarding
- GWC Projects
- GWC Records
- GWC Transport
- GWC Relocations
- GWC Fine Arts
- GWC Sports

9 GLOBAL REACH


Madinat Al Shamal
Ras Laffan Logistics Hub
Al Khor
Doha Port
DOHA
GWC Head Office
Al Rayyan
HIA
GWC, Street 15
GWC, Street 41
Al Wakra
Logistics Village Qatar
Bu-Sulba Logistics Hub
New Doha Port
Mesaieed Logistics Hub
KSA
Abu Samra Border Crossing

GWC in Qatar

GWC Head Office
D Ring Road - Doha



Logistics Village Qatar (LVQ)

Street 15 - Warehouse and Distribution Center
Industrial Area

Street 41 - Warehouse and Distribution Center
Industrial Area

RLIC Logistics Hub
Ras Laffan Industrial City

Mesaieed Logistics Hub
Mesaieed Industrial City

33K Warehouse and Distribution Center
LVQ

Bu Sulba Logistics Hub 2017

GWC's world-class asset

At a glance

- 1,000,000 sqm site
- 305,000 sqm of Warehouses and Distribution Centers
- 50,000 sqm of Container Depots
- 100,000 sqm Open Yard
- 70,000 sqm of Residential facilities
- 54,000 sqm – Phase V area (2016)

“The grand vision behind developing Logistics Village Qatar was to provide regional companies customizable, instantly operational platforms to meet their logistics needs and to meet the country’s growing demand for logistical support and expertise.

Ranjeev Menon
Group CEO

15 km off the New Doha Port, 18 km from the airport and just 2 km from Qatar’s main industrial area, GWC’s strategically positioned, one million square meter Logistics Village Qatar offers the most comprehensive of supply chain solutions that has been globally recognized.

It has set a totally new standard in the storage, distribution, forwarding and third-party logistics arena with its extensive warehousing options, wide-ranging transport services, cutting-edge IT infrastructure, all manned by the most professional of teams, putting us at the forefront of end-to-end logistics providers.

LVQ has dramatically enhanced GWC’s positioning within the industry and has been the Company’s biggest driver for growth. Today it has become a national asset, helping to garner a significant market share in Qatar and has made a positive impact on the logistics and freight forwarding operations of the Company.

The coming two years will see the enhancement of the warehouse areas, an upgraded CCTV security system with over 1,400 cameras and a CCTV Control Center, an in-house Fire Command Center, and landscaping for an area of over 150,000 sqm.

Organized, structured, integrated, IT-enabled, communication ready and ‘ready to go’, LVQ was conceived and developed on a scale that has set new benchmarks in convenience, efficiency and viability. Phase IV’s additional 81,000 sqm of storage and distribution infrastructure will now give a further fillip to company growth. It is also interesting to note that the majority of the spaces currently operational at Phase IV were pre-reserved.

Phase V will add 54,000 sqm of capacity and be the final expansion at LVQ, marking GWC’s commitment to the Qatari market, to deliver in as dedicated a manner as possible, and always on schedule.

GWC Solutions

- GWC Contract Logistics
- GWC Hazmat
- GWC Forwarding
- GWC Projects
- GWC Transport
- GWC Records
- GWC Fine Art
- GWC Relocations
- GWC Sports

“GWC Contract Logistics’ comprehensive expertise and experience are increasingly sought after. Asset-rich, with in-depth knowledge of customers’ supply chain requirements, acknowledged operational excellence and sector expertise, and backed by unmatched infrastructure and technology, GWC is the market leader by far in Contract Logistics.

Nader Hakim Chief Operations Officer

GWC Contract Logistics

With the strength of scale, scope and technology in a world where a growing number of companies are being pressured to concentrate on their core business, GWC Contract Logistics has got its path clearly laid out. With Third Party logistics being increasingly opted for, our unrivalled expertise, experience and infrastructure helps us provide integrated, cost-efficient and sector-focused solutions for large and medium-size process driven companies in Qatar and the GCC region.

Fast-moving consumer goods by its very nature need to be distributed continuously at high delivery speeds. GWC is one of the very few companies in the region with the requisite assets and expertise to do so. We have our own state-of-the-art warehouses and a large transportation fleet. Our own cutting-edge skills in IT and Warehouse Management Systems (WMS) provide our clients instant access of information to check the movement of their goods. We choose the right partners, identify alternative ways to optimize network capacity, create synergies and implement effective logistics processes across the entire value chain. In addition, and to our customers' benefit, we are able to operate either near or within their facilities enabling quick and flexible responses.

Today, GWC Contract Logistics contributes nearly 29% of the Company's total turnover and is poised to grow rapidly in Y2015.

“Our flagship Hazmat facilities were the first to be ISO-certified and government approved to service third parties. It empowers customers with cost-effective, on-the-fly solutions to bring in, store and distribute chemicals at a fraction of the cost of achieving the same with a company’s own set up. A one-stop shop for a project’s chemical material requirements, in addition to logistics, GWC Hazmat also sources and supplies specifically required chemicals.

Nader Hakim Chief Operations Officer

GWC Hazmat

Located advantageously at the two industrial cities of Ras Laffan and Mesaieed, GWC Hazmat facilities offer services for the safe and secure storage of chemicals used in oil & gas and petrochemical Industries, and other sectors, spanning flammable and non-flammable gas; toxic gas; flammable liquids and solids; spontaneously combustible; dangerous when wet; oxidizer; organic peroxide; toxic to corrosive and other miscellaneous substances. The Division is also Qatar's foremost distributor of bulk or packed lubricants.

As of 2014, GWC Hazmat has completed five years of service and today offers comprehensive end-to-end logistics solutions, from procuring goods from the place of origin, local inventory management to customer delivery as per their specific needs. In Y2014 the Division also began offering specialized services like bulk chemical storage with ISO tanks and storage of large volume tanks hitherto unavailable in Qatar.

Safety is key at GWC Hazmat. Our state-of-the-art facilities provide segregation of chemicals as per CFR49 standards with temperature-controlled storage, fire-rated walls and doors, explosion-proof lighting, and separated spill tanks. Palletized industrial chemicals are stored in open yards. Pharmaceutical chemicals are stored under different temperature conditions in small storage trays in a totally separate area. For any product that comes in, a Material Safety Data Sheet (MSDS) is readied with product information, properties, etc. and shared with the concerned personnel. Daily inspections are carried out, in addition to CCTV monitoring. The warehouses are equipped with fire detection and firefighting systems and selected employees are trained in firefighting, first aid and spill management with a mock drill conducted periodically.

In 2014, GWC Hazmat's Mesaieed facility added 4,500 pallet positions and new safety and security features, temperature control systems and segregated chambers for different classes. The Ras Laffan facility is projected to expand by 65,000 sqm to accommodate more bulk, palletized storage and general cargo.

“A crucial component of the Company’s comprehensive logistics services, GWC Forwarding’s exceptional strengths have powered us to become Qatar’s undisputed leader in this vital sector. As an asset-based freight forwarding solutions player, with our own warehousing and transportation, we offer better options and service levels to our clients.

Bobby George Director - Freight Forwarding

GWC Forwarding

In contrast to Y2013, GWC Forwarding saw significant growth in Y2014 with a better economic climate prevailing in Qatar during the year and new national projects taking off. With the advantage of our strong domain knowledge and capabilities in the oil & gas and petrochemicals sectors, we have been fortunate to have stable, long-term contracts. The sectors' new project enhancements in Y2014 gave the Division's business a boost with new contracts signed with RasGas, WOQOD and QAFCO, some for a 5-year period.

With Dubai's economic climate on the uptrend, GWC's operations there have stabilized and has added to our figures this past year. For its operations in the GCC, including its recent move into Bahrain, the Company is confident in establishing a long-term and profitable presence by strategically leveraging its cost advantages, trucking assets, specialized knowledge, warehousing capabilities and superior service levels.

GWC, as one of the largest players in the region, also has the benefit of preferential rates with many air carriers owing to the huge volumes that it handles to and from Qatar. This advantage, along with its global network covering over 125 countries and with warehousing and trucking under its own control, keeps GWC in good stead in the face of stiff competition. With Qatar's positive economic outlook and the excellent contracts added in Y2014, GWC Forwarding looks to a future of sustained growth.

"GWC Projects' extensive planning, procurement and logistics experience combined with its strong local expertise has made it the front-runner in the turnkey management of project logistics. With innovative solutions and creative routing options to deliver cargo anywhere in the world, our dedicated and experienced teams are hands-on when it comes to the unique challenges posed by specialized project logistics.

Bobby George Director - Freight Forwarding

GWC Projects

From optimal routes and integrated multi-modal transport systems to transport-adequate packaging, GWC Projects' worldwide network logistics teams provide global and on-site management for the most complex, stringent and time-sensitive cargo movements. We have specialists with the expertise and field experience to provide customized services for each individual contract.

The Division's services today include project management, heavy lift and oversize cargo transportation, project logistics for oil & gas and marine, road, sea & air transport, charter services, customs clearance and tracking tools for total visibility.

Working worldwide with our associated offices, GWC Projects' proven system of single-point control allows all projects to be handled from start to finish. Wherever a consignment originates from, GWC Projects offers integrated solutions for coordinating the flow of materials, handling restrictions in difficult or remote areas, managing site operations, providing flexible options to staging supply lines, in order to meet the most demanding of deadlines. Concerns for the safety of project cargo are taken seriously by our threat management experts, especially in today's global climate of instability.

GWC Projects' extensive experience in working with major engineering, procurement, construction and oil & gas customers has given us the expertise to manage projects regardless of size, scope or destination.

The Division was also actively involved in handling the freight for Qatar's major sporting events like the 2014 FINA World Swimming Championship, and the freight clearance and delivery for the 24th World Men's Handball Championship to take place in early 2015. It has been contracted for the 2015 AIBA World Boxing Championship Doha as well.

"From local to international door-to-door service, GWC's extensive land fleet combined with its expertise in road transportation analysis, optimization and implementation, allows us to offer customized and cost-effective transportation solutions for almost any industry. By far the leader in logistics transport solutions in Qatar, GWC Transport has been evolving steadily year-on-year and holds even better promise for the years to come.

Setrak Khajikian Director - Transport

GWC Transport

Y2014 saw GWC Transport grow by 14% in relation to Y2013, both in terms of vehicle numbers and overall operations. New additions to the transportation fleet in the last quarter of 2014 saw six new reefer trucks, two big low-beds, one 16-meter 20-tonner, two 10-tonner forklifts and a 225-ton crane, which will contribute to our growth in 2015. Today, our fleet is one of the region's biggest with a strength that exceeds 700 operational vehicles.

GWC Transport operates both inland and cross-border with operations extending to Jordan and Iraq. These extensive operations are backed by GWC's journey management processes which involve state-of-the-art tracking systems with GPS-enabled live monitoring of truck location, progress, speed and other vital integers.

Competent driving being critical to logistics transportation, GWC maintains a thoroughly professional team, going to the extent of travelling to the home countries of prospective drivers for testing. On recruitment, every driver is put through rigorous defensive and competency training sessions, with spoken English a mandatory requirement. It is an attitude that extends to our truck maintenance with a fully equipped in-company workshop at LVQ and reflects the 90% efficiency and utilization of our entire fleet.

Container Repairs and Maintenance is a new line of business embarked on by GWC Transport in the last quarter of 2014 for our liner clients, who have welcomed the service. Conveniently located at LVQ's Container Yard, this new service will definitely contribute to the Division's growth in Y2015. Utilization at our Dubai operations improved in 2014 and a growth of 15% is projected over the coming year. As in Dubai, we will be setting up land transportation services in Bahrain to complement the existing warehousing and contract logistics operations there.

"A company's records are one of its most valuable assets. They help business operations by aiding decision-making, enabling compliance and improving efficiency. GWC, as the pioneer and leader in Records Management in Qatar, continues to set the pace, delivering expertise, service and value with the best of physical and digital archiving solutions.

Sunil Kambrath Director - Business Solutions

GWC Records

Y2014 marked the eighth year that GWC Records Management has been in business. Our status is reflected in the fact that over 100 clients have entrusted us with almost 1.5 billion documents to date and that we have retained the loyalty of every one of them without a single client-drop over the years.

Asset Management, one of the important verticals of the Division, has been meeting the requirements of two of Qatar's premier organizations, Aspire Zone, who has re-contracted us for an additional three years, and Qatar Foundation, for whom we have managed 350,000 assets to date. A significant accomplishment in Y2014 was our entry into the healthcare sector with major contracts signed with Hamad Medical Corporation (HMC) and Primary Health Care Corporation (PHCC). Today we handle the entire document management (totaling 24 operations) for HMC and PHCC with all their patient files being stored with us. Interestingly, in addition to document management, GWC mans all of PHCC's customer service counters at 20 different locations. A major project undertaken was for Astad (Qatar Petroleum's and Qatar Foundation's project management team), where the scanning of 10 million documents was accomplished in 45 days against the stipulated 65.

Safe record storage and speedy retrieval is a core requirement for any organization. Unlike general warehousing, we have an automated infrastructure with the FM200 gas-based fire protection system and IP based cameras for the entire facility controlled with a restricted access control system for real-time exit/entry reports. We use the best document and scanning solutions in the world - EMC^2, O'Neil and the Visual Asset Management System (VAM) - that can be integrated with any other advanced ERP system. Other features include the storing of all physical documents in acid-free archive boxes and the active tracking of KPIs to keep our operations and service at optimum levels.

Currently the Division has a 283-employee count with each one being extensively groomed in systems, processes and procedures, with hands-on training for EMC^2, O'Neil and VAM systems. As a Division geared to take on almost any challenge, and if our performance is any indicator, GWC Records is bound for even greater heights.

“Transporting works of art by its very nature is a challenging task. GWC, with its wide range of warehousing and transport assets, as well as its experienced sector professionals, is one of the few in the region equipped to take on this highly specialized activity. As a carrier, packer, customs broker, and air-freight agent, we offer the best guarantee of care, discretion, security and efficiency for any move or installation request for a wide variety of fine art logistics requirements.

Melanie Cooray Director - International Moving & Relocation Solutions

GWC Fine Art

The level of trust that is placed on GWC's acclaimed Fine Art Logistics services is evident from the frequent contracts we continue to receive from some of Qatar's most renowned museums, galleries and art collectors. The Division has been growing by the year, with Y2014 in particular showing significant growth. One of the most important developments was the partnership formed with Constantine, the UK's premier fine art packing, installation, transportation and storage company. It is a partnership that has enabled GWC to add installation services to the Division's comprehensive offerings of fine art logistics. We have continually assisted Qatar Museums in the pick-up, clearance, transportation and delivery of art pieces from across the globe as well as for the many exhibitions they hold. In many cases these high-value items are even hand-delivered.

Some of the projects we were contracted for in Y2014 included the Huna Hunak (Here and There) Exhibition, the Shirine Nashat Exhibition and the Yousef Ahmed Exhibition. We were also the official logistics partner for Mal Lawal (From the Past) Exhibition where shipments were handled from across the GCC. The year also saw GWC Fine Art being awarded three new national-level contracts.

The Division's serious intent is seen from its own custom fine art storage facility, as well as its commissioning of specially designed trucks dedicated to fine art moves and built to EU specifications with air-ride suspension. Our strength in customs clearance must be considered as well. GWC's unique air-side pass to operate from the tarmac has helped considerably in our projects with European and US museums.

Adding weight to our credentials is our handpicked team of specialized professional custom-packers, some with over 30 years in the field. With Qatar's continuing investments with the avowed aim of making the nation a repository of great art, GWC's business in this niche sector is on an upward trajectory.

“Moving or relocating demands specialized support and equipment to minimize the stress that moving typically causes. GWC’s professionalism and strong service orientation ensure that the moving process is smooth and hassle-free from start to finish. Our highly trained and experienced teams provide the highest levels of customer support backed by quality packing materials, innovative packing techniques and leading edge technology. Today, GWC Relocations is held in high esteem throughout Qatar, and as the nation’s premier moving service is committed to continually raising the bar.

Melanie Cooray Director - International Moving & Relocation Solutions

GWC Relocations

What started out as a service offering that catered solely to household movements in 2007, has today evolved to become Qatar's premier one-stop provider of the entire gamut of relocations services. Currently, GWC Relocations' services extend from household and office moves, meet & greet services, special projects, event services to office assistance services, and has registered a 14% growth in Y2014.

The trend today favors local moves and forms 70% of the Division's services. A number of them in 2014 were bulk moves involving multiple households moving to company staff compounds, an area that will see even more activity in the near future as and when ongoing accommodation projects get completed.

'Meet & Greet' is another value-added service that has enhanced our reputation. This service actively helps in enhancing the settling-down experience for new expatriates on their arrival. From meeting them at the airport, clearing shipments, identifying suitable accommodation and schools for children, counseling for shopping and recreational needs, assisting them in getting Resident Permits, to even getting them past the language barrier by providing same-nationality consultants, GWC Relocations guides them all the way.

GWC Relocations also has the expertise and capacity to take on special projects, like Al-Shaqab Equestrian Academy for instance, where we installed 700 stables.

Office Assistance is a new service that GWC Relocations has recently embarked on. It essentially seeks to aid unexpected projects, or businesses that would need temporary administrative and office assistance. The Division will provide assistance by sub-contracting qualified personnel from our pool of assistants alleviating the recruiting requirement for the client during the teething period or peak seasons.

Known for their exacting standards, the Division ensures a high level of competency within its 50-strong team of packing professionals. Today, with an average of seven moves a day, a 98% satisfaction rate, and a claims-percentage that's under 3%, GWC Relocations is looking at an even more promising future.

Sports Events Logistics is a specialized and challenging ‘time-sensitive’ activity. Demanding as it is, GWC Sports has repeatedly measured up as an accomplished one-stop provider. From offering logistics for indoor and outdoor championship games, various sporting events, to conferences and exhibitions, the Division deploys dedicated resources to each event along with access to specialized handling and transportation capabilities.

Bobby George Director - Freight Forwarding

GWC Sports

GWC Sports' track record speaks for itself. With the capacity to handle all sports logistics requirements from the loading bay to reverse logistics at the end of an event, it has won kudos for its expertise at the IAAF World Indoor Championship Athletics in 2010, the Asian Football Cup in 2011, and the Arab Games in 2011, 2012 and 2013. Late 2014 saw the Division taking on the logistics for one of the most prominent international sporting events, the FINA World Swimming Championship, from handling, moving and delivery to freight clearance. GWC Sports was also the nominated Official Logistics Partner for the 24th World Men's Handball Championship in early 2015 and tasked with clearance, delivery, freight, venue management, manpower and equipment handling. It has also been shortlisted for the AIBA World Boxing Championship Doha 2015.

GWC Sports' personnel lead a challenging existence with their SOPs serving only as a guide. The trained team is skilled at time-bound operations, prioritization, issue resolution, inventory checks and even map reading, with just two to three hours to plan ahead at times. They work 12 hours a day (up to 16 hours on actual event days) and are on-call 24 hours, making sure the work gets done, with state-of-the-art global event management and tracking systems backing them all the way. Today the Division's reputation is such that even other companies and forwarders seek their expertise. With so many accomplishments under its belt, GWC Sports looks forward to even bigger and more challenging projects in the future.

GWC Support

- Information Technology
- Quality, Health, Safety, Environment
- Human Resources
- Corporate Social Responsibility
- Internal Audit & Compliance

“As a company that’s spearheading the logistics revolution in Qatar, it is not surprising that GWC continues to rely on Information Technology for strategic planning and tactical execution of business strategies. We adapt complex IT infrastructure to constantly align with the challenging business goals, and IT governance and compliance.
We also deploy leading-edge software applications to connect with target market segments more cost effectively, track data, improve productivity level and maximize our ROI.

Maged Emil Kamal Senior Manager – Information Technology

Information Technology

GWC Information Technology is at the forefront of every domain development with world-class infrastructure. Today, a client can rent a warehouse in LVQ and be operations-ready the very next day, with internet connectivity, phone lines and the facility of hosting their servers from our state-of-the-art Data Center. The Data Center's information security is assured with the ISO 27001:2005 certification, one of the highest ISO standards in the world and also one of the most difficult endorsements to receive.

Y2014 saw a major enhancement of our disaster recovery planning. Emergency automated fail-over, which earlier took months, has now been reduced to minutes. 60% of an organization's business recovery plan would be IT recovery, making it the base of the entire plan. Infrastructure readiness got a further boost in Y2014 with the completion of the LVQ Phase IV Fiber Optic Network that connects all the new warehouses to the Data Center.

The Division was possibly one of the first internationally to incorporate Microsoft's Yammer, a Facebook-like social networking and collaboration software for business, which has the capacity to revolutionize problem-solving with on-the-go information requests and responses from within a company amongst many other benefits.

IT Service Level was also enhanced with the introduction of a new Service Desk for internal employee support which is configured to receive all the IT requests with an automatic ticketing service and to handle change management cycles. GWC IT upgraded the anti-virus server in Y2014 to a new version equipped with automated alerts eliminating human intervention by integrating it with the Service Desk to proactively protect data.

We have also created our own private Cloud with all the latest versions of the documentation systems hosted on it. All critical systems will eventually migrate to the private Cloud in the coming years. A new software department was instituted within the Division where in-house applications are being developed. To date, it has developed a Safety Incident Management application for the HSE Division and an upgraded version of the Daily Status Report (DSR) application for tracking shipments using the latest dotNET technology from Microsoft.

The Data Center will also see an increase in storage capacity to an unprecedented 3.8 Petabytes (3,800 Terabytes). With its wide expertise, the Division has begun to extend its services beyond GWC by aiding customers to manage their IT services, providing consultancy, design, implementation, and management of the Wireless and Radio-Frequency technologies at their warehouses. GWC Information Technology is also in the process of becoming a profit center in itself and has started with marketing warehouse management and fleet tracking systems to external customers.

"The QHSE Management System in GWC provides the framework for all our service offerings and operations. Our ultimate objective is that all our personnel, with all their multi-cultural differences and backgrounds, will always have safety on their mind, at work and outside work. We want to influence behavior in such a way that safety becomes a habit which our personnel will take back home with them.

Naji Nassar Chief Commercial Officer

Quality, Health, Safety, Environment

As an integral element of GWC's QHSE policy, we are committed to continuous improvement across all aspects of our services. Our safety and quality development programs provided more than 7,000 man-hours of training to our employees as well as to our sub-contractors. GWC is proud to have achieved the ISO 9001:2008, ISO 14001:2007, OHSAS 18001:2007 certifications for all its service offerings. These integrated management standards provide the guidelines, standards and the coordination of all the operations of our organization. GWC QHSE's dedicated quality team ensures that our services remain the most reliable in the industry, while keeping a high degree of responsiveness towards our clients' needs. GWC is also the first logistics company in Qatar to have achieved ISO 22000:2005 for the warehouses that handle food products and has consistently passed the strictest external audits conducted by world's leading Food & Beverage organizations which use GWC services.

GWC QHSE's initiative to carry out the 3R Program demonstrates responsible environmental stewardship of resources as it reduces the amount of waste going to landfills, conserves resources, complies to applicable legal requirements and has a direct bearing on reducing cost associated with waste materials. Training is provided to all employees on how to reduce, reuse and recycle generated wastes at source. Results are the best witnesses of employee involvement, and in 2014, we have sent more than 100 tons of cartons, 6 tons of shredded paper, 640 tons of wood pallets and 22,000 liters of used motor oil to be recycled.

“GWC has always understood that a company can only be as good as its people. With its passion for perfection and its constant efforts to deliver the best of solutions, it has always striven to inculcate a culture of performance within every level in the organization. Our HR processes are strategized not only to meet specific goals, but also on ‘how’ it is achieved, which in turn has generated a mind-set of learning and achievements while boosting the happiness-quotient.

Natasha Jeyanthi Subramaniam Head of Human Resources

Human Resources

With its 1,850-strong multi-cultural workforce, GWC Human Resources has been successful in cultivating a spirit of ‘purpose’ that runs through the organization, through what it calls the ‘partnering’ approach. From assessment and recruitment, appraisals to counseling, administration to acclimatization, every HR function is conducted on an ‘employee-connect’ basis, with employees’ perspectives, opinions and grievances constantly solicited and addressed through regular ‘reach-out’ initiatives.

Training is high-priority at GWC. An employee’s professional growth is ensured through training initiatives at the Company’s in-house Training Center or Worker Development Center, which go beyond just classroom training with expert trainers and interactive programs. With 1% of every employee’s monthly work-time targeted to be set aside for training, the Company’s current training hour-count exceeds 3,000 hours per month. The Division also conducts Manager Training Programs like “Finance for Non-Finance Managers” for instance, which broaden the knowledge base and facilitate inter-departmental understanding.

We believe that happy employees make good employees. At LVQ, for example, every amenity is extended to our workforce, from comfortable living areas, a high-quality diet, cleaning and laundry services, to the best of medical access. Monthly engagement programs where competitive games or events are conducted between departments in addition to get-togethers. The 2014 GWC Sports Fest kicked-off end of October with all Divisions of the Company competing in a variety of sports tournaments like Basketball, Volleyball, Football, Cricket, Marathon and even a Tug of War. The occasion displayed the drive, energy, and sportsmanship that our employees possess.

Bigger and better than ever, the GWC Annual Event was possibly the loudest, and most entertaining event the Company has ever held for its employees. The energy was kept high by a number of performances by GWC employees, which featured singing, individual dances, and choreographed dances by the Contract Logistics and HR teams. The Lucky Dip, Sports Fest Awards and Mr. and Miss GWC awards kept audiences clapping and cheering all through and ended with a very hearty meal.

The spirit of goodwill during the holy month of Ramadan was shared within the Company with the staff invited to an Iftar Dinner at LVQ. The happy occasion saw over 1,100 of the employees, several members of the management and heads of department attending.

Human Resources is taken very seriously at GWC, with year-round initiatives and a top-down involvement that begins from the Group CEO.

“GWC is well aware that successful organizations do not exist in isolation. They have a responsibility to society at large, and by fulfilling that, they stand to gain enormous goodwill. GWC continues to reach out in meaningful ways that benefit the well-being of Qatari society and that of the nation.

Natasha Jeyanthi Subramaniam Head of Human Resources

Corporate Social Responsibility

In Y2014, GWC was happy and grateful to have been able to reach out with many community-oriented activities. During the holy month of Ramadan, the Company joined forces with the Youth Company to promote its Hassanat Olympics program, which aims to encourage the country's youth help alleviate the burden of fasting by distributing food packages and water to those who have not got back home for Iftar after sunset.

September witnessed a Blood Donation Campaign in collaboration with Hamad Medical Corporation (HMC) where all of the medical devices and equipment were made available by the Corporation. It was the second volunteering opportunity extended to our employees and was a demonstration of the Company's commitment to encourage the principles and spirit of volunteerism among its employees.

GWC once again partnered with the Youth Company in December to provide logistics support for the 'Run the World (RTW) Festival', which occurred during the National Day on December 18th and continued until the 20th.

GWC looks forward to serving and giving back to its community in whatever possible way in the coming year and all the years to come.

"The Internal Audit function has developed and matured into being the conscience of GWC as the Company strategizes and implements the plans set out to achieve core objectives. We have consistently helped the Management and Board in achieving set objectives by bringing a systematic, disciplined approach to the evaluation and improvement of the effectiveness of risk management, internal control and governance processes.

Segun Abayomi Chief Audit Executive - Internal Audit & Compliance

Internal Audit & Compliance

Gulf Warehousing Company's Corporate Governance is the process and structure used to direct and manage the company's business and affairs, guiding it towards enhancing business prosperity and corporate accountability, with the ultimate objective of realizing long-term value for the shareholders, taking into account the interest of other stakeholders.

The Company's Board of Directors (the Board) has adopted a code of Corporate Governance Practices (the CGP code) based on the guidelines set by the Qatar Financial Market Authority (QFMA) on the rules governing all the listed companies on the Qatar Exchange.

Maintaining high standards of Corporate Governance Practices is not just about complying with the literal interpretation of the provisions of CGP codes, but also the intent of the regulations to enhance corporate performances, accountability and transparency.

Audit Committee Report

Introduction

The responsibility of Audit Committee as stated in the Audit Committee Charter serves as the cornerstone of this Report. The primary responsibility of the Audit Committee (the "Committee") of the Board of Directors (the "Board") of Gulf Warehousing Company (the "Company") is to assist the Board in fulfilling its oversight responsibilities with respect to:

i. The Company's accounting, auditing, and financial reporting processes;
ii. The integrity of the Company's financial statements;
iii. The Company's system of internal controls and procedures designed to promote compliance with accounting standards and applicable laws and regulations;
iv. Risk management processes;
v. The appointment and evaluation of the qualifications and independence of the Company's independent auditors (both Internal and External)

Composition of the Audit Committee

The Audit Committee consists of three Independent Non-Executive Board Members. The names of the Members include:

1. Dr. Hamad Saad M. Al-Saad – Chairman of Committee
2. Jassim Sultan J. Al- Rimaihi – Member
3. Mohammed Hassan Al Emadi – Member

The Committee's oversight function is partly delegated to the Chief Audit Executive (CAE) whose work and function is directed by the Committee.

Main Activities of the Audit Committee

1. Oversight Review of accuracy and validity of Financial Statements before public disclosure:

The Committee ensures critical oversight of the Company's financial reporting through the functions of both the Internal and External Auditors. The Committee requires the Chief Audit Executive to present quarterly reports on the accuracy and validity of financial statements, the Internal Auditor is also required to report on compliance with all IFRS standards. The External Auditors are also required to issue quarterly reports.

The Committee has carried out a review of all the issued reports of both the Internal and External Auditor. The review of the accuracy and validity of the financial statements including the yearly, half-yearly and quarterly reports have been done with particular focus on:

(i) Any changes to the accounting policies and practices;
(ii) Matters subject to the discretion of Senior Executive Management;
(iii) The major amendments resulting from the audit;
(iv) Continuation of the Company as a viable going concern;
(v) Compliance with the accounting standards designated by the Authority;
(vi) Compliance with the applicable listing Rules in the Market; and
(vii) Compliance with disclosure rules and any other requirements relating to the preparation of financial reports;

2. Review of Company's Policy on Receivable Impairment Accounting:

The Audit Committee has reviewed the Company's policy on receivable impairment accounting and recognition.

The old policy being used to estimate the loss in intrinsic value of receivable overdue is mainly based on past experience. But IAS 39 Specifically prohibits creation of general provisions on the basis of past experience due to the subjectivity involved in creating such an estimate. Instead, reporting entity is required to carry out impairment review to determine the recoverability of the receivables and any associated allowance.

IFRS reviews support the classification of receivables with similar characteristics into same buckets but not as basis for calculating the actual loss due to time difference. The basis is recommended to be calculated using the Net Present Value - NPV - calculation approach.

Incorporating the time value of money is key to this exercise. This approach has introduced more objectivity to the impairment accounting and recognition process.

3. Re-Appointment of External Auditors

In fulfillment of its responsibility as dictated in the Committee Charter and corporate governance law of Qatar, the Committee has in early 2014 recommended to the Board and shareholders, the selection of KPMG Accounting Firm as the Company's external auditors for year 2014. This recommendation was ratified by both the Chairman of the Board and the Shareholders meeting of 2014.

The Committee also assessed the performance of the External Auditor on a yearly basis while also requesting them to present their proposed fees and scope for the forthcoming year's audit. The reviews of the External Auditor have been used to confirm the appropriateness of their reappointment and included assessment of their independence, qualification, expertise and resources, and effectiveness of the audit process.

4. Corporate Governance Reporting

The Audit Committee has the responsibility of preparing the Company's Corporate Governance Report-CGR, which is a regulatory requirement of the Qatar Financial Market Authority – QFMA. The Governance Report for 2012, 2013 and 2014 have been prepared and discussed with the relevant unit of the Company. The same have been published in the Company's 2014 Annual Report.

5. Assessment of Fraud Control in GWC

The Audit Committee has reviewed the Company's anti-fraud control. The purpose of this is to assure there is effective control that mitigates the risk of fraud occurrence. Critical issues were addressed including control over bank payments, receivable integrity, control over procurement, etc. The Company has established a well analyzed and revised Fraud Tree for GWC. The Fraud Tree documents and explains each type of fraud and the management of the associated processes

6. Risk Management Oversight

The Audit Committee has carried out a review of the effectiveness and adequacy of the Company's risk management process. The Committee mandates the internal audit to provide a quarterly report on the adequacy and effectiveness of the Company risk management and processes. Earlier the Committee has ensured the procurement of Risk Management suite (software) to help manage the over 500 identified risks in GWC.

7. Assessment of Company's Tax compliances

The Audit Committee have received and validated withholding tax audit of the Company for the period until the end of the year 2013 and Q3-2014.

8. Meetings of the Audit Committee:

The Audit Committee has met at least every three months during 2014 and has kept its minutes of the meeting. Specifically, the table here indicates the number of Committee meetings and the Director's attendance.

#	Audit Committee Members	Meeting Held			
		2011	2012	2013	2014
1	Dr. Hamad Saad Al-Saad – Chairman	4/4	4/4	4/4	4/4
2	Jassim Sultan Al-Rimaihi	4/4	4/4	4/4	4/4
3	Mohammed Hassan Al Emadi	NA	NA	1/4	4/4

9. Adoption of Company's Internal Control and Quarterly Review

The Audit Committee first adopted the Company's Internal Controls assessment report in 2009. The Committee has since then received reports on internal controls from both the internal and external auditors. The Internal Auditor is required to submit an updated quarterly report of the internal controls to the Committee while the external Auditors submit a yearly assessment of the Company's system of internal control. All submitted reports of controls have been reviewed by the Committee uptil year-end 2014 and all necessary actions have been discussed with related parties concerned for effective and necessary actions.

10. Approval of Audit Plan for period 2013/2015

The Audit Committee has reviewed and approved an audit plan that guides the depth and scope of audit of the Company for period 2013 through 2015. The Audit Plan is risk-based plan that has prioritized and planned audit based on processes with the highest risks to the Company. The Audit Plan also narrates the resources and time being used to implement the audit works.


GOVERNANCE
GOVERNANCE
GOVERNANCE

Corporate Governance Report

Summarized Information on the Company's Board of Directors

Date of election/assignment of the current Board of Directors	March 2012
End date of the current Board of Directors	February 2015
Number of Directors	Eight (8)
Number of Independent Directors	Three (3)
Number of Executive Directors	Nil
Number of Non-Executive Directors	Five (5)
Number of Non-Independent Directors	Eight (8)
Number of Board Meetings held during the year of the CGR	Six (6)
Number of Audit Committee Members	Three (3)
Number of Audit Committee Independent Members	Two (2)
Number of Audit Committee Non-Independent Members	One (1)
Number of Audit Committee Executive Members	Nil
Number of Audit Committee Non-Executive Members	Three (3)
Number of Audit Committee Members outside the Board	Three (3)
Number of Remuneration Committee Directors	Three (3)
Number of Remuneration Committee Independent Directors	Two (2)
Number of Remuneration Committee Non-Independent Directors	One (1)
Number of Remuneration Committee Executive Directors	Nil
Number of Remuneration Committee Non-Executive Directors	Three (3)
Number of Remuneration Committee Members outside the Board	Nil
Number of Nominations Committee Directors	Three (3)
Number of Nominations Committee Independent Directors	One (1)
Number of Nominations Committee Non-Independent Directors	Two (2)
Number of Nominations Committee Executive Directors	Nil
Number of Nominations Committee Non-Executive Directors	Three (3)
Number of Nominations Committee Members outside the Board	Nil
Number of Board Membership Shares Guarantee	20,000 but 23,999 blocked
Total number of shares for the Board of Directors as of end the last financial year	Table 1.3
Total number of shares for the Company as of end of the last financial year	47,560,975 shares
Number of the invitations for Extraordinary General Meeting as of end of the last financial year	Nil

Table1.1; Board Committee Membership

#	Board Membership	Nomination Committee	Remuneration Committee	Audit Committee
1.	Sheikh Abdulla Fahad J. J. Al Thani – Chairman			
2.	Sheikh Fahad Hamad J. J. Al Thani – Vice Chairman	Committee-Chairman		
3.	Ahmed Mubarak Al-Ali Al-Maadid – Member	Committee-Member	Committee-Chairman	
4.	Dr. Hamad Saad M. Al-Saad – Member		Committee-Member	Committee-Chairman
5.	Mohd. Thamer M. Al-Aseri – Member	Committee-Member		
6.	Jassim Sultan J. Al-Rimaihi – Member		Committee-Member	Committee-Member
7.	Mohammed Hassan Al Emadi – Member			Committee-Member

Table1.2; Directors' Attendance of Meetings

#	Board Membership	General Assembly	Board Meeting	Nomination Committee	Remuneration Committee	Audit Committee
1.	Sheikh Abdulla Fahad J. J. Al Thani – Chairman	1/1	6/6			
2.	Sheikh Fahad Hamad J. J. Al Thani – Vice Chairman	0/1	6/6	1/1		
3.	Ahmed Mubarak Al-Ali Al-Mahdid – Member	1/1	6/6	1/1	2/2	
4.	Dr. Hamad Saad M. Al-Saad – Member	1/1	6/6		2/2	4/4
5.	Mohd. Thamer M. Al-Aseri – Member	1/1	6/6	1/1		
6.	Jassim Sultan J. Al-Rimaihi – Member	1/1	6/6		2/2	4/4
7.	South Port Representative – TBA	0/1	0/6			
8.	Hanadi Al-Saleh – Member	1/1	6/6			
9.	Mohammed Hassan Al Emadi – Member	1/1	6/6			4/4

Table1.3; Directors' Shareholding

Name	Position	Details	Owned Share Balance at 31-Dec'13	Add: Net Changes in Shares within the Year	Owned Share Balance at 31-Dec'14
Sheikh Abdulla Fahad J. J. Al Thani	Chairman	Personal	0	0	0
		Al Masar Services Co	1,632,165	0	1,632,165
Sheikh Fahad Hamad J. J. Al Thani	Vice-Chairman	Personal	0	0	0
		Al Murqab Capital	10,206,096	0	10,206,096
Ahmed Mubarak Al-Ali Al-Maadid	Member	Personal	829	0	829
		Al Bateel Commercial Co.	49,999	0	49,999
Dr. Hamad Saad M. Al-Saad	Member	Personal	0	0	0
		El Shameel Group Ltd	49,999	(26,000)	23,999
Mohd. Thamer M. Al-Aseri	Member	Personal	25,200	0	25,200
		Al Sanaam Commercial Co.	1,488,000	0	1,488,000
Jassim Sultan J. Al-Rimaihi	Member	Personal	0	0	0
		Al Eseham Commercial Co.	1,488,000	0	1,488,000
TBA	Member	Personal	0	0	0
		South Port Co	1,343,834	(1,262,439)	81,395
Hanadi Al-Saleh	Member	Personal	0	0	0
		Agility - Kuwait	8,604,878	0	8,604,878
Mohammad Hassan Al Emadi	Member	Personal	0	0	0
		Ismail Bin Ali Group	25,999	0	25,999
Ranjeev Menon	Group CEO	Personal	0	0	0
		N/A	0	0	0

Article No.	Provision No.	Compliance	Non-Compliance	Not Applicable	Governance Implementation	Reasons for Non-Complinace
Article 3 – Company's Obligation to comply with Corporate Governance Principles	3.1 The Board shall ensure that the Company complies with the principles set out in this Code. 3.2 The Board shall also review and update its Corporate Governance practices, and regularly review the same. 3.3 The Board shall regularly review and update professional conduct rules setting forth the Company's corporate values and other internal policies and procedures all of which shall be binding upon the Members of the Board of Directors and the Company's staff as well as the Company's advisors (These professional conduct rules may include but are not limited to the Board Charter, Audit Committee's Charter, company regulations, related party transactions policy and insider trading rules). The Board should review these professional conduct principles regularly so as to ensure they reflect best practices and they meet the needs of the Company.	✓			The Board and Management have given the Chief Audit Executive the responsibility to ensure compliance with the principles set out in the Corporate Governance code. Further in this line, the Audit Committee requires a yearly review report on compliance to all articles of the Corporate Governance code as laid out by the QFMA. The Management and Board have reviewed the set of professional conduct rules established for the Company at least once in 2014. GWC has also updated its governance codes to include new changes introduced by QFMA in 2014.	
Article 4 – Board Charter	The Board shall make sure that the Company adopts a Charter for the Board of Directors detailing the Board's functions and responsibilities as well as the Board Members' duties which shall be fulfilled by all Board Members. The said Board Charter shall be drafted to comply with the provisions of this Code, and shall be based on the Board Charter annexed to this Code and as may be amended from time to time by the Authority. The said Board Charter shall be published and made available to the public.	✓			The GWC Board has adopted and approved a Charter. The GWC Board consists of several Committees which includes: 1. Board Remuneration Committee; 2. Board Audit Committee; and 3. Board Nomination Committee The Board and each of the Committees have an approved Charter that specifies each Committee's roles, responsibilities and functions. The Board Committee Charter has been distributed to all shareholders during AGM 2010 and is also published on the Company's website.	
Article 5 – Board Mission and Responsibilities:	5.1 The Company shall be managed by an effective Board of Directors which shall be individually and collectively responsible for the proper management of the Company. 5.2 In addition to the Board functions and responsibilities as set out in the Board Charter, the Board shall be responsible for:	✓			The GWC's Board of Directors' role is regulated by a well-defined Board Charter that specifies the duties of directors as well as their fiduciary responsibilities. The Charter also list out the details of the Board's mission and responsibilities. The responsibilities of the Board as narrated in the Board Charter and the article of association broadly	

Article No.	Provision No.	Compliance	Non-Compliance	Not Applicable	Governance Implementation	Reasons for Non-Complinace
	5.2.1 Approving the Company's strategic objectives, appointing and replacing management, setting forth management compensation, reviewing management performance and ensuring succession planning concerning the Company's management. 5.2.2 Ensuring the Company's compliance with related laws and regulations as well as the Company's Articles of Association and by-laws. The Board is also responsible for protecting the Company from illegal, abusive or inappropriate actions and practices. 5.3 The Board may delegate some of its functions and constitute special Committees, for the purpose of undertaking specific operations on its behalf. In this case, written and clear instructions shall be given concerning the delegated function or Authority for any situation. In any event, the Board remains liable for all of its functions or authorities so delegated.				meets the requirement of the QFMA governance code. The role and responsibilities of the GWC Board broadly covers reviewing and approving corporate mission and broad strategies; overseeing and evaluating the conduct of the Group's businesses; identifying principal risks and ensuring the implementation of appropriate measures and control systems to manage these risks; and reviewing and approving important matters such as financial results, investments and divestments and other material transactions. The Board has delegated the day-to-day management and operation of the Group's businesses to the management of the Company headed by the Group Chief Executive Officer (CEO).	
Article 6 – Board Members' Fiduciary Duties	6.1 The Board of Directors represents all shareholders, and must take proper care in managing the Company and complying with the institutional authorities as is set in the related laws and regulations including this Code and the Board Charter. 6.2 Board Members must at all times act on an informed basis, in good faith, with due diligence and care, and in the best interests of the Company and all shareholders. 6.3 Board Members shall act effectively to fulfill their responsibilities towards the Company.	✓			**Major Functions of the Board** The Company's article of association clearly defines the role of the Board. In interpreting these functions Board Members generally follow a clear direction in the way the Board carries out its major functions, and delegates detail or other functions to management. The Board adopts the following approach: The Board will focus on "ends" rather than "means" when formulating policies about delegation. Budgets, programs, personnel policies, building, equipment and a host of other matters that traditionally consume Board time should be considered management 'means' issues rather than 'ends'. 1. However, all terms and means that contravene the state laws or other statutory regulations or that contradict the norms and culture of the state of Qatar or the dictate of the memorandum of association is hereby prohibited and cannot be implemented. 2. From time to time the Board may redefine where management actions start and end.	

Article No.	Provision No.	Compliance	Non-Compliance	Not Applicable	Governance Implementation	Reasons for Non-Complinace
					Further Narration of Role of the Board (a) The Board has primary responsibility to shareholders for the sustainability and relevance of the GWC by guiding and monitoring its business and affairs. (b) In carrying out its responsibilities, the Board undertakes to serve the interests of GWC shareholders, employees, customers and the broader community. (c) Each Director of GWC will act in good faith in the best interests of GWC as a whole, and collectively oversee and appraise the strategies, major policies, processes and performance of the Company using care and diligence to ensure that GWC's long term sustainability is assured. (d) The independence of the Directors will be a paramount principle of governance. Directors will not misuse their position in the Board to advance personal interests. Directors will not use information available to them as Board Members to advance personal interests or agendas. (e) Directors are required to inform the Board of any conflicts or potential conflicts of interest they may have in relation to particular items of business. Directors must absent themselves from discussion or decisions on those matters. Where a conflict of interest or potential conflict is not identified by a Director, the Chair of the Board or Committee (or other Directors) will call the matter to the attention of the Director.	
Article 7 – Separation of Positions of Chairman and CEO	7.1 The same person may not hold or exercise the positions of Chairman and Chief Executive Officer at the same time. 7.2 In all circumstances, no one person in the Company should have unfettered powers to take decisions.	☑			In specific compliance with the Corporate Governance codes; the roles of the Chairman and the Group CEO of the Company are segregated and are not held by the same person. Currently, Sheikh Abdulla Fahad J.J Al Thani is the Non-Executive Chairman and Ranjeev Menon is the Group CEO of the Company.	

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Article 8 – Duties of the Chairman of the Board	8.1 The Chairman is responsible for ensuring the proper functioning of the Board; in an appropriate and effective manner including timely receipt by the Board Members of complete and accurate information. 8.2 The Chairman may not be a member of any of the Board Committees prescribed in this Code. 8.3 The duties and responsibilities of the Chairman of the Board of Directors shall, in addition to the provisions of the Board Charter, include but not be limited to the following: 1. To ensure that the Board discusses all the main issues in an efficient and timely manner; 2. To approve the agenda of every meeting of the Board of Directors taking into consideration any matter proposed by any other Board Member; this may be delegated by the Chairman to a Board Member but the Chairman remains responsible for the proper discharge of this duty by the said Board Member ; 3. To encourage all Board Members to fully and effectively participate in dealing with the affairs of the Board of Directors for ensuring that the Board of Directors is working in the best interest of the Company; 4. To ensure effective communication with Shareholders and communication of their opinions to the Board of Directors; and 5. To allow effective participation of the Non-Executive Board Members in particular and to promote constructive relations between Executive and Non-Executive Board Members. 6. To ensure the conducting of an annual evaluation to the Board's performance.	✓			The responsibilities of the Chairman of GWC Board include the followings as per both the Charter and Articles of Association: I. The Chairman is responsible for ensuring the proper functioning of the Board; in an appropriate and effective manner including timely receipt by the Board Members of complete and accurate information. II. Ensuring that he/she is not a member of any of the Board Committees prescribed in this Charter. III. Liaising with the Chief Executive Officer and the Board Secretary to see that new Board Members are appropriately briefed and have access to information on aspects of the Company's operations; IV. Establishing the agenda for Board meetings, in consultation with the Chief Executive Officer and Board Secretary; V. Being the main point of contact and communication between the Board and the Chief Executive Officer, ensuring that the Board's views are communicated clearly and accurately; VI. Acting as primary counselor to the Chief Executive Officer. VII. Leading the review of the Board's performance and the review of the CEO's performance, ensuring that the delegated authority of the CEO and expected key performance criteria for the CEO are clear. VIII. Presiding over Board and General Meetings of the Company. IX. Setting a standard for Board Members in terms of attendance at meetings and prior familiarity with Board Papers distributed and issues to be raised; X. Ensuring that the meetings are conducted competently, ethically and in an open fashion consistent with a transparent culture. XI. Ensuring that general meetings are conducted efficiently and that member have adequate opportunity to air their views and obtain answers to their queries. Note: The Chairman is not a member of any Board Committee	

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Article 9 – Non-Executive Board Members	9.1 The Board composition shall be determined in the Company's by-laws. The Board shall include Executive, Non-Executive and Independent Board Members so as to ensure that the Board decisions are not dominated by one individual or a small group of individuals. 9.2 At least one-third of the Board Members shall be Independent Board Members and a majority of the Board Members shall be Non-Executive Board Members. 9.3 Board Members shall have adequate expertise and knowledge to effectively perform their functions in the best interest of the Company and they shall give sufficient time and attention to their role as Board Members. 9.4 Any nominee for the position of Independent Board Member must ensure that his ownership ratio of the Company's capital does not exceed the required number of shares needed to ensure his membership on the Company's Board of Directors.	✓			**Structure and Composition** The Board Structure is described in the Articles of Association of GWC. As currently defined it provides for a Nine (9) elected Board Membership all of whom were elected by the General Assembly by ballots. Three members of this Board are independent by definition of Corporate Governance codes.	
Article 10 – Non-Executive Board Members	10.1 Duties of the Non-Executive Board Members include but are not limited to the following: 10.1.1 Participation in the meetings of the Board of Directors and providing independent opinion on strategic matters, policy, performance, accountability, resources, key appointments and operation standards; 10.1.2 Ensuring that priority shall be given to the Company's and Shareholders' interests in case of conflict of interests; 10.1.3 Participation in the Company's Audit Committee; 10.1.4 Monitoring the Company's performance in realizing its agreed objectives and goals and reviewing its performance reports including the Company's annual, half yearly and quarterly reports; and 10.1.5 The development of the procedural rules for the Company's Corporate Governance for ensuring their implementation in a consistent manner; and	✓			All Board Members have been chosen through balloting during the Annual General Meeting of the shareholders held in 2012. Board Members have been elected to a term of maximum three (3) years in accordance with the Company's By-Laws. A new election into the Board is scheduled for 2015 AGM. The role of the Non-Executive Directors as listed in the Board Charter is well in compliance with of the CG codes. The vast majority of the Directors are Non-Executive. The Board has established various Committees and has allocated the Board Members to Committees based on their experience and capabilities for effective functioning.	

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	10.1.6 Availing the Board of Directors and its different Committees of their skills, experiences, diversified specialties and qualifications through regular presence in the Board meetings and effective participation in the General Assemblies and the acquisition of a balanced understanding of Shareholders' opinions. 10.2 A majority of the Non-Executive Board Members may request the opinion of an independent consultant, in relation to any of the Company's affairs, at the Company's expense.					
Article 11 – Board Meetings	11.1 The Board of Directors shall hold meetings regularly, so as to ensure that the Board is effectively performing its duties. The Board shall meet at least six times during a year, and no less than one meeting every two months. 11.2 The Board shall meet when convened by its Chairman or upon the written request of two Board Members. The invitation for the Board meeting and agenda shall be communicated to each Board Member at least one week before the date of the meeting, noting that any Board Member may add any item to the agenda.	☑			The Board Meeting has been held atleast six times during 2014 at the invitation of the Board Chairman, and all the conditions of the Corporate Governance codes were met in the process.	
Article 12 – Board Secretary	12.1 The Board shall appoint a Board Secretary whose functions shall include recording the minutes and resolutions of all the Board meetings in specialized, numbered record that must be kept sequentially and detail the Members that have attended and any reservations they have raised. The Secretary must also keep safe the minutes of all Board Meetings, the Board's records, books and reports submitted by or to the Board. Under the direction of the Chairman, the Board Secretary shall also be in charge of ensuring timely access to information and coordination among the Board Members as well as between the Board and the other stakeholders in the Company including shareholders, management, and employees.	☑			The Company has a substantive Board Secretary whose function is fully compliant with the Corporate Governance codes. The Board Secretary has an LLB law degree with more than six (6) years of experience.	

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	12.2 The Board Secretary shall ensure that Board Members have full and timely access to the minutes of all Board meetings, information, documents, and records pertaining to the Company. 12.3 All Board Members shall have access to the services and advice of the Board Secretary. 12.4 The Board Secretary may only be appointed or removed by a Board resolution. 12.5 The Board Secretary should preferably be a member of a recognized body of professional accountants, or a member of a recognized or Chartered body of corporate secretaries, or a lawyer or a graduate from a recognized university or equivalent. He should have at least three years' experience of handling the affairs of a public company listed in the market.					
Article 13 – Conflict of Interests and Insider Trading	13.1 The Company shall adopt and make public general rules and procedures governing the Company's entering into any commercial transaction with a Related Party (the Company's "Related Party Policy"). In any event, it shall not be permitted to enter into any commercial transaction (or contract) with any a Related Party unless in strict compliance with the aforementioned Related Party Policy. The said policy shall include principles of transparency, fairness and disclosure in addition to the requirement that a related party transaction be approved by a majority vote of the shareholders at the General Assembly. 13.2 Whenever an issue involving conflict of interests or any commercial transaction between the Company and any of its Board Members or any Party related to said Board Member, is discussed in a Board meeting, the said issue shall be discussed in the absence of the concerned Board Member who may not in any event participate in the voting on the matter. In any event, such transaction shall be made at market prices, and shall not involve terms that are contrary to the interests of the Company.	✓			The Gulf Warehousing Company's control systems are setup with a focus in knowing the details of sponsors of companies it transacts business with. During the fiscal year 2014; there is no Directors' related party transaction. The Company will always ensure strict compliance to requirements of excluding interested parties when the Board discusses related party's transaction.	

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	13.3 In any event, such transactions shall be disclosed in the Company's Annual Report and specifically referred to in the General Assembly following such commercial transactions. 13.4 Trading by Board Members' in the Company's shares and other securities shall be disclosed. And the Company shall adopt clear rules and procedures governing trading by Board Members and employees in the Company.				During the fiscal year 2014; there is no evidence of violation of the company's guidelines on the company's securities trading policy by the board members and executive management staff. Management and board have complied with all QFMA instructions on quiet time as well as the guidelines on securities tradings.	
Article 14 – Other Board Practices and Duties	14.1 Board Members shall have full and immediate access to information, documents, and records pertaining to the Company that allows them to perform their duties and become aware of all aspects of any issue related to the Company's business. The Company's executive management shall provide the Board and its Committees with all requested documents and information. 14.2 The Board Members shall ensure that the Nomination, Remuneration and the Audit Committee members, the Internal Audit and representatives of the External Auditors attend the General Assembly. 14.3 The Board shall put in place an induction program for newly appointed Board Members in order to ensure that, upon their election, they are made fully aware of their responsibilities, and have proper understanding of the manner in which the Company operates. 14.4 The Board Members are responsible for having an appropriate understanding of their role and duties, and for educating themselves in financial, business, and industry practices as well as the Company's operations and functioning. In this respect, the Board shall adopt an appropriate formal training to enhance Board Members' skills and knowledge. 14.5 The Board of Directors shall at all times keep its Members updated about the latest developments in the area of Corporate Governance and best practices relating thereto. The Board may delegate the same to the Audit Committee or the Governance Committee or any other body as it deems appropriate.	✓			The Board Members has full and immediate access to information, documents, and records pertaining to the Company. The Company has complied with this CGR requirement. The Board has put in review an induction program for newly appointed Board Members to ensure that, upon their election, members become fully aware of their responsibilities and the Company's operations. Board of Directors has a process in place to keep its Members updated about the latest developments in the area of Corporate Governance and best practices.	

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	14.6 The Company's Articles of Association shall include clear procedures for removing Board Members in the event of failing to attend Board meetings.					
Article 15 – The Board Committees	15.1 The Board shall appraise advantages of establishing dedicated Committees that report to the Board and that supervise the performance of the major duties. When deciding upon the creation of the Committees mentioned in this paragraph, the Board will take into consideration the Committees required by this document.	✓			The following Committees has been established by the Board: (a) Board Nomination Committee (b) Board Audit Committee (c) Board Remuneration Committee	
Article 16 – Board Members Appointment. The Nomination Committee	16.1 Nominations and appointments of Board Members shall be made according to formal, rigorous and transparent procedures. 16.2 The Board shall constitute a Nomination Committee chaired by an Independent Board Member and comprised of Independent Board Members which shall recommend Board Members' appointments and re-nomination for election by the General Assembly (for the avoidance of doubt, nomination by the Committee does not deprive any shareholder of his rights to nominate or to be nominated); 16.3 Nominations shall take into account *inter alia* the candidates' sufficient availability to perform their duties as Board Members, in addition to their skills, knowledge and experience as well as professional, technical, academic qualifications and personality and should be based on the 'Fit and Proper Guidelines for Nomination of Board Members' annexed to the Code as amended by the Authority from time to time; 16.4 Upon its establishment, the Nomination Committee shall adopt and publish its terms of reference explaining its authority and role. 16.5 The Nomination Committee's role shall also include conducting an annual self-assessment of the Board's performance. 16.6 Banks and other companies shall comply with any conditions or	✓		✓	**Board Nomination Committee** I. The Board constituted a Nomination Committee chaired by an Independent Board Member and comprised of Independent Board Members which shall recommend Board Members' appointments and re-nomination for election by the General Assembly (for the avoidance of doubt, nomination by the Committee will not deprive any shareholder of his rights to nominate or to be nominated); II. Nominations takes into account *inter alia* the candidates' sufficient availability to perform their duties as Board Members, in addition to their skills, knowledge and experience as well as professional, technical, academic qualifications and personality and should be based on the 'Fit and Proper Guidelines for Nomination of Board Members' annexed to the Code as amended by the Authority from time to time; III. Upon its establishment, the Nomination Committee adopted and published its terms of reference explaining its authority and role. IV. The Nomination Committee's role includes conducting an annual self-assessment of the Board's performance.	

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	requirements relating to the nomination, election or appointment of Board Members issued by Qatar Central Bank or any other relevant authority.					
Article 17 – Board Members' Remuneration - Remuneration Committee	17.1 The Board of Directors shall establish a Remuneration Committee comprised of at least three Non-Executive Board Members the majority of whom must be Independent. 17.2 Upon its constitution, the Remuneration Committee shall adopt and make available its terms of reference explaining its role and main responsibilities. 17.3 The Remuneration Committee's main role shall include setting the remuneration policy of the Company including remuneration of the Chairman and all Board Members as well as Senior Executive Management. 17.4 The Remuneration Policy and principles shall be presented to the Board Members in the Company's Annual Report. 17.5 Remuneration shall take into account the responsibilities and scope of the functions performed by the Board Members and members of the Company's executive management, in addition to the Company's performance as a whole. Remunerations may contain fixed quantities and quantities that depend on performance. It must be noted that any quantity that depends on performance must be based on the Company's long-term performance.	✓			**Board Remuneration Committee** I. The Board of Directors established a Remuneration Committee comprised of at least three Non-Executive Board Members the majority of who are Independent. II. Upon its constitution, the Remuneration Committee adopted and made available its terms of reference explaining its role and main responsibilities. III. The Remuneration Committee's main role includes setting the remuneration policy of the Company including remuneration of the Chairman and all Board Members as well as Senior Executive Management. IV. The Remuneration Policy had been presented to the shareholders in the General Assembly for approval and shall be made public. V. Remuneration has taken into account the responsibilities and scope of the functions of the Board Members and members of Senior Executive Management as well as the performance of the Company. Compensation may include fixed and performance-related components, noting that such performance related components should be based on the long-term performance of the Company.	
Article 18 – Audit Committee	18.1 The Board of Directors shall establish an Audit Committee that shall be comprised of at least three members the majority of whom should be Independent. The Audit Committee must include at least one member with financial and audit experience. If the number of available Independent Board Members was not sufficient to fill the Audit Committee membership, the Company may appoint members that are not Independent Board Members provided that the Chairman of the Committee is Independent.	✓			**Board Audit Committee** I. The Board of Directors established an Audit Committee that comprised of at least three members, the majority of whom are Independent. The Audit Committee includes at least one member with financial and audit experience. The Chairman of the Committee is Independent. II. No member of the Audit Committee has been an employee of the Company's External Auditors within the last two years.	

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	18.2 In any event, any person who is or has been employed by the Company's External Auditors within the last two years may not be a member of the Audit Committee. 18.3 The Audit Committee may consult at the Company's expense any independent expert or consultant. 18.4 The Audit Committee shall meet as needed and regularly at least once every three months and shall keep minutes of its meetings. 18.5 In the event of any disagreement between the Audit Committee's recommendations and the Board 's decision including where the Board refuses to follow the Committee's recommendations concerning the external auditor, the Board shall include in the Company's Governance Report, a statement detailing such recommendations and the reason(s) behind the Board of Directors' decision not to follow the recommendations. 18.6 Upon its establishment, the Audit Committee shall adopt and make public its terms of reference explaining its main role and responsibilities in the form of an Audit Committee Charter including in particular the following: a. To adopt a policy for appointing the External Auditors; and to report to the Board of Directors any matters that, in the opinion of the Committee, necessitate action and to provide recommendations on the necessary procedures or required action; b. To oversee and follow up the independence and objectivity of the external auditor and to discuss with the external auditor the nature, scope and efficiency of the audit in accordance with International Standards on Auditing and International Financial Reporting Standards; c. To oversee, the accuracy and validity of the financial statements and the yearly, half-yearly and quarterly reports, and to review such statements and reports. In this regard particularly focus on: (i) Any changes to the accounting policies and practices;				III. The Audit Committee has the power to consult at the Company's expense any independent expert or consultant. IV. The Audit Committee as met as needed and regularly at least once every three months and has kept minutes of its meetings. V. There has not been any event of any disagreement between the Audit Committee's recommendations and the Board's decision including where the Board refuses to follow the Committee's recommendations concerning the external auditor. VI. Upon its establishment, the Audit Committee adopted and made public its terms of reference explaining its main role and responsibilities in the form of an Audit Committee Charter. VII. Audit Committee provided an oversight for the GWC external auditor's work.	

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	(ii) Matters subject to the discretion of Senior Executive Management; (iii) The major amendments resulting from the audit; (iv) Continuation of the Company as a viable going concern; (v) Compliance with the accounting standards designated by the Authority; (vi) Compliance with the applicable listing Rules in the Market; and (vii) Compliance with disclosure rules and any other requirements relating to the preparation of financial reports; d. To coordinate with the Board of Directors, Senior Executive Management and the Company's chief financial officer or the person undertaking the latter's tasks, and to meet with the External Auditors at least once a year; e. To consider any significant and unusual matters contained or to be contained in such financial reports and accounts. And to give due consideration to any issues raised by the Company's Chief Financial Officer or the person undertaking the latter's tasks, or the Company's Compliance Officer or External Auditors; f. To review the financial and Internal Control and risk management systems; g. To discuss the Internal Control systems with the management to ensure management's performance of its duties towards the development of efficient Internal Control Systems; h. To consider the findings of principal investigations in Internal Control matters requested by the Board of Directors or carried out by the Committee on its own initiative with the Boards' approval; i. To ensure coordination between the Internal Auditors and the External Auditor, the availability of necessary resources, and the effectiveness of the Internal Controls and its supervision;					

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	j. To review the Company's financial and accounting policies and procedures; k. To review the letter of appointment of the External Auditor, his business plan and any significant clarifications he requests from senior management as regards the accounting records, the financial accounts or control systems as well as the Senior Executive Management's reply; l. To ensure the timely reply by the Board of Directors to the queries and matters contained in the External Auditors' letters or reports; m. To develop rules, through which employees of the Company can confidentially report any concerns about matters in the financial reports or Internal Controls or any other matters that raise suspicions. And to ensure that proper arrangements are available to allow independent and fair investigation of such matters whilst ensuring that the aforementioned employee is afforded confidentiality and protected from reprisal. Such rules should be submitted to the Board of Directors for adoption. n. To oversee the Company's adherence to professional conduct rules; o. To ensure that the rules of procedure related to the powers assigned to the Board of Directors are properly applied; p. To submit a report to the Board of Directors on the matters contained in this Article; q. To consider other issues as determined by the Board of Directors;					
Article 19 – Compliance, Internal Controls and the Internal Auditor	19.1 The Company shall adopt Internal Control Systems, approved by the Board, to evaluate the methods and procedures for risk management, implementation of the Company's Corporate Governance Code and compliance with related Laws and Regulations. And the Internal Control Systems shall set clear lines of responsibility and accountability throughout the Company's departments.	✓			**Controls and Internal Audit** 1. Financial Reporting Accuracy The QFMA Rules requires listed companies to prepare annual financial statements which shall provide a true and fair view of the state of affairs of companies and of the results of their operations and cash flows. The Board; being aware of its responsibility for ensuring the maintenance of proper accounting records of the Company,	

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	19.2 Internal Control Systems shall include effective and independent risk assessment and management functions, as well as financial and operational internal audit functions in addition to the external audit. The Internal Control Systems shall also ensure that all related-party transactions are handled in accordance with the requirements related thereto. 19.3 The Company shall have an internal audit function with clearly defined functions and role. In particular, the internal audit function shall: (i) Audit the Internal Control Systems and oversee their implementation; (ii) Be carried out by operationally independent, appropriately trained and competent staff; and (iii) Submit its reports to the Board of Directors either directly or through the Board's Audit Committee; and is responsible to the Board; and (iv) Has access to all Company's activities; and (v) Be independent including being independent from the day-to-day Company functioning. Its independence should be reinforced for example by having the Board determine compensation of its staff. 19.4 The internal audit function shall include at least one Internal Auditor appointed by the Board of Directors. This Internal Auditor shall report to the Board. 19.5 The Internal Auditor shall prepare and submit to the Audit Committee and the Board of Directors an "Internal Audit Report" which shall include a review and assessment of the Internal Control system of the Company. The scope of the Internal Audit Report shall be agreed between the Board (based on the Audit Committee recommendation) and the Internal Auditor and shall include particularly the following: - Control and oversight procedures of financial affairs, investments, and risk management.				has acknowledged its responsibility for preparing the financial statements. The Board approves the financial statements; as prepared by the management, after taking into account the Board Audit Committee's comments on specific accounting matters. The Board is satisfied that appropriate accounting policies have been used in preparing the financial statements, consistently applied and complied with the relevant accounting standards. A statement of the auditors about their reporting responsibilities is included in the published audited financial reports. Details of the Company's financials are published on the websites. 2. Internal Controls and Risk Management The Board; recognizing its responsibilities to ensure sound internal controls have put in place a risk management and control framework for the Company to: • Identify significant risks faced by the Company in the operating environment as well as evaluate the impact of such risks identified; • Develop necessary measures and controls for managing these risks; and • Monitor and review the effectiveness and adequacy of such measures. The Board has entrusted the Board Audit Committee - BAC - with the responsibility of overseeing the implementation of the Company's risk management framework. In discharging this responsibility, the BAC, assisted by the Internal Audit Department: • Ensures that new and emerging risks relevant to the Company are promptly identified by management; • Assesses the adequacy of action plans and control systems developed to manage these risks; and • Monitors the implementation of the action plans and the effectiveness and adequacy of the control systems. • Ensures all processes are mapped for complete coverage and related risk assessments.	

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	- Comparative evaluation of the development of risk factors and the systems in place to respond to drastic or unexpected market changes. - Assessment of the performance of the Board and senior management in implementing the Internal Control Systems, including the number of times the Board was notified of control issues (including risk management) and the manner in which such issues were handled by the Board. - Internal Control failure, weaknesses or contingencies that have affected or may affect the Company's financial performance and the procedure followed by the Company in addressing Internal Control failures (especially such problems as disclosed in the Company's Annual Reports and Financial Statements). - The Company's compliance with applicable market listing and disclosure rules and requirements. - The Company's compliance with Internal Control Systems in determining and managing risk. - All relevant information describing the Company's risk management operations. 19.6 The Internal Audit Report shall be prepared every three months.				The natural process is such that the Company defines processes and actions needed to achieve its objectives. Policy guidelines and standard operating procedures are then documented to guide the various actions, the Company's policies and standard operating procedures-SOPs are at the departmental or unit levels for all processes and actions. During the year 2014, the Internal Audit in collaboration with the Quality Assurance Control Department has completed systems/Process MAPPING to verify that the processes contain no gap. All identified gaps have been rectified. These analyses were carried out to ensure controls are adequate and complete. The entire system of internal control in GWC is heavily dependent on Information Technology - IT. The IT applications implementations have been designed and carried out in such manner as to ensure systems integrity, Segregation of duties, Data security, User privileges and access control, Disaster Recovery and business continuity surety, Virus control etc. An Audit Report; ARP/012/2013 was raised in 2013 by the Internal Audit Department narrating observed inadequacies of the IT controls. All recommendations have been accepted by management for implementation. During the period in review, the Internal Audit issued 28 reports and several hundreds mails and correspondences. The 28 Audit reports raised 338 issues. These reports and mails are a result of reviews, audits, formal and informal discussions. All audit recommendations have been accepted and several are under implementations. Audit Reports also include bi-annual internal control self-assessments that cover summary assessments of the various operations and processes in the Company including the finance, information technology, transport operations, contract logistics operations, freight operations, and other departments. The Internal Audit work is guided by Audit Plan for period 2013 - 2015. This audit plan is a planned schedule	

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					of prioritized audit work based on company-wide risk assessment. The Risk assessment has been challenged and defended before the Audit Committee and have been approved by both the Audit Committee and the Chairman. The Audit Plan for the period in review has been fully implemented and follow-up of completeness will be done in 2015. The Company's Quality Assurance Control Department is responsible for tracking and documenting details of all SOPs and Policies. The Company policies set guidelines on all major or tangible issues while the SOPs narrate the detailed steps in carrying out tasks in various units of the Company. As at November 2014, all policies and SOPs have been reviewed and certified by the Internal Audit and approved by the Group CEO. The Internal Audit has the responsibility of ensuring the adequacy, relevance, appropriateness and compliance with all Company's policies and SOPs.	
Article 20 – External Auditor	20.1 An External Auditor who is independent, and qualified, and appointed upon the recommendation of the Audit Committee to the Board and the decision of the Company's General Assembly, shall undertake an annual and semi-annual independent audit. The purpose of the said audit is to provide an objective assurance to the Board and shareholders that the financial statements are prepared in accordance with this Code, related laws and regulations and international financial reporting standards and accurately represent the financial position and performance of the Company in all material respects. 20.2 The External Auditor shall comply with the highest professional standards and he shall not be contracted by the Company to provide any advice or services other than carrying out the audit of the Company. The External Auditor must be completely independent from the Company and its Board Members and shall not have any conflict of interests in his relation to the Company.	✓			For the financial year 2014, the Board has procured the service of KPMG Accounting firm as the External Auditor for the Company. The terms and conditions of engagement ensures professionalism and independence as well as compliance with the requirements of the Corporate Governance code. The External Auditor has been chosen on the recommendation of the Audit Committee and approval of the General Assembly.	

Article No.	Provision No.	Compliance	Non-Compliance	Not Applicable	Governance Implementation	Reasons for Non-Complinace
	20.3 The Company's External Auditor must attend the Company's Annual Ordinary General Assembly where he shall deliver his Annual Report and answer any queries in this respect. 20.4 The External Auditor is accountable to the shareholders and owes a duty to the Company to exercise due professional care in the conduct of the audit. The External Auditor is also responsible for notifying the Authority and any other regulatory authority should the Board fail to take proper action concerning suspicions raised or identified by the External Auditors. 20.5 A listed company shall change its External Auditor every five years at a maximum.					
Article 21 – Disclosure	21.1 The Company must comply with all disclosure requirements including financial reporting as well as disclosing shareholdings of Board Members, senior executives and major or controlling shareholders. The Company must also disclose information about its Board Members including notably a resume of each Member describing his/her respective education, profession, other Board seats that they may hold (if any). Names of the Members of various Committees constituted by the Board as mentioned in Article 5.3, along with the composition of the Committee, should also be disclosed. 21.2 The Board shall ensure that all disclosure made by the Company provides accurate and true information which is not non-misleading. 21.3 The Company's financial reports must comply with IFRS /IAS and ISA standards and requirements. In addition to stating whether the External Auditor obtained all information needed, the External Auditor Report shall also state whether the Company conforms to IFRS/IAS and that the audit has been conducted in accordance with IAS. 21.4 The Company audited financial reports shall be circulated to all shareholders.	✓			The QFMA Rules requires listed companies to prepare annual financial statements which shall provide a true and fair view of the state of affairs of companies and of the results of their operations and cash flows. GWC has ensured that all information that may impact the share price have been disclosed to the public via the Qatar Exchange. All disclosure requirements and accounting standard financial presentations have been fully complied with. All the requirement of this Corporate Governance code have been complied with including making the financial reports available to all shareholders. GWC has constituted its board and the constituent committees with consideration of members' expertise. Below are the profiles of the board members and the Board Committees to which they belong. **Sheikh Abdulla bin Fahad bin Jassem bin Jabor Al Thani** Sheikh Abdulla has been a member of GWC's board of directors since 2009, holding seats on the Board's Tender and Nominations Committee, prior to his election to Chairman of the Board in 2014. He brings about 10 years of experience to the position, having previously worked with QAFCO and currently holding a position at Muntajat.	

Article No.	Provision No.	Compliance	Non-Compliance	Not Applicable	Governance Implementation	Reasons for Non-Complinace
					Sheikh Fahad bin Hamad bin Jassem bin Jabor Al Thani Sheikh Fahad has a wide variety of experience in various fields spanning over 8 years. He is currently Deputy General Manager for business development at the International Bank of Qatar. Sheikh Fahad has earned a bachelor's in business administration from the European University in Geneva, Switzerland, and a banking and financial science training from the Arab Academy in Amman, Jordan. Sheikh Fahad is currently GWC's Board Vice Chairman, and its Nominations Committee Chairman. **Mr. Ahmed Mubarak Nasser Al Ali Al Maadid** Mr. Ahmed is a highly successful figure in the Qatari retail arena, and has over 25 years of experience developing various retail outlets and companies. He is currently a Partner and Managing Director of the Al-Bateel Group, and was also one of the founders of Gulf Warehousing Company. He has earned various military and management training certificates in business and management science from the State of Qatar, Jordan, UK, and the US. Mr. Ahmed is serving on the Board Nomination Committee and is Chairman for the Board Remuneration Committee. **Dr. Hamad Saad Al Saad** Dr. Hamad is a highly respected figure in the Qatari environmental field, and has over 20 years of experience in environmental affairs with various companies and ministries. He is currently the head consultant at Hassad Food Company, as well as serving on a number of committees and boards. He earned his doctorate in Botany from Nottingham University in the UK. Dr. Hamad is serving on the Board Remuneration Committee and is Chairman for the Board Audit Committee. **Mr. Mohammad Thamer Al Aseri** Mr. Mohammad is a prominent businessperson in Qatar, currently representing Al Sanaam Commercial Company on Gulf Warehousing Company's Board. He is currently serving on the Board Nomination Committee.	

Article No.	Provision No.	Compliance	Non-Compliance	Not Applicable	Governance Implementation	Reasons for Non-Complinace
					Mr. Jassim Sultan Al Rimaihi Mr. Jassim is a well-recognized figure in the Qatar sports field, and has over 40 years of experience in sports and logistics for various sports clubs and in the Qatari Armed Forces. He is currently the general secretary of the Al-Sadd Sports Club, and has earned a bachelor's degree in marketing from Metro State College in Denver, Colorado and an MBA from Grambling State University, from Rustin, Louisiana, in the United States. Mr. Jassim is serving on both the Board Audit and Remuneration Committees. **Mr. Mohammed Hassan Al Emadi** Mr. Mohammed is a rising figure in the financial sector, with over 7 years of experience in the banking and financial fields. Currently, he is senior relationship manager with Masraf Al Rayan. He earned a bachelor's in business administration with a concentration on marketing from the Arab Academy of Science, Technology and Maritime Transport in Egypt, as well as becoming a certified professional manager through the Institute of Professional Managers at the College of Business in James Madison University in the United States of America. Mr. Mohammed is serving on the Board Audit Committee. **Ms. Hanadi Al Saleh** Ms. Hanadi is the Chairperson of Agility, a major international logistics company, with experience in leadership positions providing financial planning and investor relation services. Ms. Hanadi has a bachelor's degree from Tufts University in the US. **Eng. Ali Abdul Latif Al Missned** Eng. Ali is a leading figure in Qatar's business sector, with over 30 years of experience in the engineering, economic, and strategic planning fields, having worked in the management and development of businesses and infrastructure. He is currently a member of various boards and institutions, including the Qatar Chamber of Commerce and Industry and the International Chamber of Commerce in Qatar. Eng. Ali earned his engineering degree in the city of Portland, Oregon, as well as completing a post-graduate degree in engineering management with the University of Washington, both in the United States of America.	

Article No.	Provision No.	Compliance	Non-Compliance	Not Applicable	Governance Implementation	Reasons for Non-Complinace
Article 22 – General Rights of Shareholders and Key Ownership Elements	Shareholders have all rights conferred upon them by related laws and regulations including this Code as well as the Company's by-laws; and the Board shall ensure that shareholders' rights are respected in a fair and equitable manner.	✓			The Company's Articles of Association and by-laws ensures shareholders make the ultimate approval on who becomes a Director through vote casting; the Company also has provisions that allow shareholders' recommendation for Directorship. All shareholders have rights to cast their votes for Board member's election by cumulative voting. The right of the shareholders access to information is also guaranteed. The article of association clearly clarify on several decisions that may only be taken by the shareholders during General Assembly.	
Article 23 – Ownership Records	23.1 The Company shall keep valid and up to date records of share ownership. 23.2 Shareholders shall have the right to review and access for free the Company's shareholders' register at the Company's regular office hours or as otherwise determined in the Company's Access to Information Procedure 23.3 The Shareholder shall be entitled to obtain a copy of the following: - Shareholders' register, Board Members' register, Articles of Association and by-laws of the Company, instruments creating a charge or right on the Company's assets, related party contracts and any other document as the Authority may decide upon payment of a prescribed fee.	✓			The Company through the office of Board Secretary maintains details of shares ownership and shareholders contacts in liaison with the Qatar Exchange. The Company also maintains up to date website information on the Company.	
Article 24 – Access to Information	24.1 The Company shall include in its Articles of Association and by-laws Procedures of Access to Information to ensure that shareholders rights of access to Company documents and information in a timely manner and on a regular basis, are preserved. The Access to Information Procedures shall be clear and detailed and shall determine (i) The Accessible Company Information including the types of information that is made accessible on an on-going basis to individual shareholders or to shareholders representing a minimum percentage of the Company's share capital, and (ii) Clear and express procedures to access such information.	✓			The Company encourages communication with all its investors. Extensive information about the Company's activities is provided in the Annual Reports which are distributed to shareholders and are also available on the Company's website. The Company's approach to information dissemination is meant to ensure compliance with Corporate Governance Codes. Regular dialogues are maintained with institutional investors. Enquiries from individuals on matters relating to their shareholdings and the business of the Company are welcome and are dealt with in an informative and timely manner. The enquiries can be directed to the	

Article No.	Provision No.	Compliance	Non-Compliance	Not Applicable	Governance Implementation	Reasons for Non-Complinace
	24.2 The Company shall have a website where all relevant information and public information and disclosures must be posted. This includes all information that is required to be made public by this Code and any related laws and regulations.				Board Secretary via email at the designated mail box: info@gulfwarehousing.com or directly by questions at general meetings of the Company. In order to promote effective communication, the Company maintains a website at www.gulfwarehousing.com to provide: • Latest news, announcements, financials reports etc. • Other corporate communication materials, e.g. notices of meetings, circulars, proxy forms, etc.; • Corporate calendar for important shareholders' dates for current financial year; online registration of email alert service for receiving the Company's latest corporate communications and other information to the public.	
Article 25 – Shareholders Rights with Regard to Shareholders' Meetings	The Company's Articles of Association and by-laws shall include provisions ensuring effective shareholders' right to call for a General Assembly and be convened in a timely manner; the right to place items on the agenda, discuss matters listed on the agenda and address questions and receive answers thereupon; and the right to make informed decisions.	✓			The Company's Articles of Association contains several articles to guarantee the shareholders' right.	
Article 26 – Equitable Treatment of Shareholders and Exercise of Voting Rights	26.1 All shares of the same class, shall have the same rights attached to them. 26.2 Proxy voting is permitted in compliance with related laws and regulations.	✓			All shareholders have equal levels of treatment in the Company i.e. all shares of the same class have the same rights attached to them. Proxy voting has always been permitted during the Company's General Assembly.	
Article 27 – Shareholders' Rights Concerning Board Members' Election	27.1 The Company's Articles of Association and by-laws shall include provisions ensuring that shareholders are given information relating to Board Members' candidates including a description of candidates' professional and technical skills, experience and other qualifications. 27.2 Shareholders shall have the right to cast their votes for Board Member's election by Cumulative Voting.	✓			The Company's Articles of Association and by-laws ensures shareholders make the ultimate approval on who becomes a Director on merit through vote casting; the Company also has provisions that allow shareholders recommendation for Directorship. All shareholders have rights to cast their votes for Board Member's election by cumulative voting.	

Article No.	Provision No.	Compliance	Non-Compliance	Not Applicable	Governance Implementation	Reasons for Non-Complinace
Article 28 – Shareholders' Rights Concerning Dividend Distribution	The Board of Directors shall submit to the General Assembly a clear policy on dividend distribution. This shall include the background and rationale of such policy in terms of the best interest of the Company and the shareholders.	✓			The Company has also adopted a dividend policy during the AGM of 2011. All dividends for each year are approved by the assembly prior to distribution to shareholders.	
Article 29 – Capital Structures, Shareholders' Rights, Major Transactions	29.1 Capital Structures should be disclosed and companies should determine the type of shareholders agreements that should be disclosed. 29.2 Companies shall adopt in their Articles of Association and/or bylaws provisions for the protection of minority shareholders in the event of approval of Major Transactions where the said minority shareholders have voted against such Major Transactions. 29.3 Companies shall adopt in their Articles of Association and/or by-laws, a mechanism ensuring the trigger of a public offer or the exercise of Tag Along Rights in the case of a change in ownership exceeding a specific percentage (threshold). The thresholds should take into consideration shares held by third parties but under the control of the disclosing shareholder, including shares covered by shareholder agreements which should also be disclosed.	✓			The Company's capital structure is published every year in the Company's Annual Report.	
Article 30 – Stakeholders' Rights	30.1 The rights of Stakeholders are to be respected. Where Stakeholders participate in the Corporate Governance arrangements, they shall have access to relevant, sufficient and reliable information on a timely and regular basis. 30.2 The Board of Directors shall ensure that the Company's employees are treated according to the principles of fairness and equity and without any discrimination whatsoever on the basis of race, gender or religion. 30.3 The Board shall develop a remuneration policy and packages that provide incentive for the employees and management of the Company to always perform in the best interests of the Company. This policy should take into consideration the long term performance of the Company.	✓			The GWC has a Board approved and published remuneration policy upon which all employee contracts are issued. This policy ensures fair treatment of all employees. The Company has also developed a published anti-fraud policy and an anonymous process to report anomaly.	

Article No.	Provision No.	Compliance	Non-Compliance	Not Applicable	Governance Implementation	Reasons for Non-Complinace
	30.4 The Board shall adopt a mechanism enabling Company employees to report to the Board suspicious behavior, where such behavior is unethical, illegal, or detrimental to the Company. The Board shall ensure that the employee addressing the Board shall be afforded confidentiality and protected from any harm or negative reaction by other employees or the employee's superiors.					
Article 31 – The Corporate Governance Report	31.1 The Board shall prepare an annual Corporate Governance Report signed by the Chairman. 31.2 This Report shall be submitted to the Authority on an annual basis and whenever required by the Authority. 31.3 A provision to review the Corporate Governance Code must be included in the agenda for the Assembly General Meeting, and a copy of the report must be distributed during the meeting. 31.4 The said Report shall be published and shall include all information related to the application of this Code, including, notably: 1. Procedures followed by the Company in this respect; 2. Any violations committed during the financial year, their reasons and the remedial measures taken and measures to avoid the same in the future; 3. Members of the Board of Directors and its Committees and their responsibilities and activities during the year, according to the categories and terms of office of said members along with the method of determining the Directors' and Senior Executive Managers' remuneration. 4. Internal Control procedures including particularly the Company's oversight of financial affairs, investments, and risk management. 5. The procedure followed by the Company in determining, evaluating and managing significant risks, a comparative analysis of the Company's risk factors and discussion of the systems in place to confront drastic or unexpected market changes.	✓			The Company's has prepared the Corporate Governance Report every year as required by Article 31 of the Corporate Governance Code. The Corporate Governance Report has also been published. There are no known or documented internal control failures in 2014.	

Article No.	Provision No.	Compliance	Non-Compliance	Not Applicable	Governance Implementation	Reasons for Non-Complinace
	6. Assessment of the performance of the Board and senior management in implementing the Internal Control systems, including identification of the number of times when the Board was notified of control issues (including risk management) and the way such issues were handled by the Board. 7. Internal Control failures or weaknesses or contingencies that have affected or may affect the Company's financial performance and the procedures followed by the Company in addressing Internal Control failures (especially such problems as disclosed in the Company's Annual Reports and Financial Statements). 8. The Company's compliance with applicable market listing and disclosure rules and requirements. 9. The Company's compliance with Internal Control systems in determining and managing risks. 10. All relevant information describing the Company's risk management operations and Internal Control procedures.					


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Financial Statements

Gulf Warehousing Company Q.S.C.

Consolidated Financial Statements

As at and for the year ended 31 December 2014

Contents

Independent Auditors' Report

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

Report on the Consolidated Financial Statements
We have audited the accompanying Consolidated Financial Statements of Gulf Warehousing Company Q.S.C. (the 'Company"), which comprise the consolidated statement of financial position as at 31 December 2014, the consolidated statements of profit or loss and other comprehensive income, changes in equity and cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

Management's responsibility for the Consolidated Financial Statements
Management is responsible for the preparation and fair presentation of these Consolidated Financial Statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of Consolidated Financial Statements that are free from material misstatement, whether due to fraud or error.

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

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

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

Opinion
In our opinion, the Consolidated Financial Statements present fairly, in all material respects, the consolidated financial position of the Company as at 31 December 2014, and of its consolidated financial performance and consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards.

Other matters
The Company's comparative Consolidated Financial Statements for the year ended 31 December 2013 were audited by another auditor, who expressed an unmodified opinion thereon dated 19 January 2014.

Report on Legal and other 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. The physical count of inventories was carried out in accordance with the established principles. We reviewed the report of the Company's Board of Directors and we confirm that 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 provisions of the Qatar Commercial Companies Law No. 5 of 2002 or the terms of the Company's Articles of Association during the year which might have had a material adverse effect on the business of the Company or its Consolidated Financial Statements as at 31 December 2014.

15 January 2015
Doha
State of Qatar

Gopal Balasubramaniam
KPMG
Auditor's Registration No.251

Consolidated Statement of Financial Position

As at 31 December 2014 — In Qatari Riyals

	Note	31 December 2014	31 December 2013
ASSETS			
Non-current assets			
Property, plant and equipment	4	1,126,137,981	931,424,667
Projects in progress	5	250,842,979	256,146,536
Investment property	6	172,968,860	131,971,562
Intangible assets and goodwill	7	134,740,203	141,387,018
Total non-current assets		1,684,690,023	1,460,929,783
Current assets			
Inventories		7,526,517	8,792,545
Accounts and other receivables	8	249,549,979	234,947,594
Cash and cash equivalents	9	160,228,239	174,804,478
Total current assets		417,304,735	418,544,617
TOTAL ASSETS		2,101,994,758	1,879,474,400
EQUITY AND LIABILITIES			
Equity			
Share capital	10	475,609,750	475,609,750
Legal reserve	11	237,804,875	231,517,414
Retained earnings		158,900,285	99,763,863
Equity attributable to the owners of the Company		872,314,910	806,891,027
Non-controlling interest		(3,681,223)	(3,681,223)
Total equity		868,633,687	803,209,804
Liabilities			
Non-current liabilities			
Loans and borrowings	13	978,979,628	771,567,746
Employees' end of service benefits	14	17,899,003	13,258,297
Total non-current liabilities		996,878,631	784,826,043
Current liabilities			
Accounts and other payables	15	168,487,527	126,040,839
Loans and borrowings	13	67,994,913	165,397,714
Total current liabilities		236,482,440	291,438,553
Total liabilities		1,233,361,071	1,076,264,596
TOTAL EQUITY AND LIABILITIES		2,101,994,758	1,879,474,400

These Consolidated Financial Statements were approved by the Company's Board of Directors on 15 January 2015 and were signed on its behalf by:

Abdulla Fahad J J Al Thani
Chairman

Fahad Hamad J J Al Thani
Vice Chairman

The notes on pages 96 to 122 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 2014 | In Qatari Riyals

	Note	31 December 2014	31 December 2013
Revenue	17	673,331,762	527,259,368
Direct costs	18	(431,403,332)	(336,072,266)
Gross profit		241,928,430	191,187,102
Other income, net		(173,964)	1,005,648
Increase in fair value of investment property	6	14,722,840	9,243,767
General and administrative expenses	19	(40,207,754)	(40,941,523)
Staff costs		(40,113,509)	(34,587,636)
Operating profit		176,156,043	125,907,358
Finance costs, net		(35,883,893)	(27,356,005)
PROFIT		140,272,150	98,551,353
Other comprehensive income		-	-
Total comprehensive income		140,272,150	98,551,353
Profit / (loss) attributable to:			
Owners of the Company		140,272,150	101,625,528
Non-controlling interest		-	(3,074,175)
		140,272,150	98,551,353
BASIC AND DILUTED EARNINGS PER SHARE	20	2.95	2.14

The notes on pages 96 to 122 form an integral part of these Consolidated Financial Statements.

Consolidated Statement of Changes in Equity

For the year ended 31 December 2014 | In Qatari Riyals

	Attributable to the owners of the Company					
	Share capital	Legal reserve	Retained earnings	Total	Non-controlling interest	Total equity
Balance at 1 January 2013	396,341,460	221,354,861	90,109,816	707,806,137	(607,048)	707,199,089
Total comprehensive income:						
Profit / (loss)	-	-	101,625,528	101,625,528	(3,074,175)	98,551,353
Other comprehensive income	-	-	-	-	-	-
Total comprehensive income	-	-	101,625,528	101,625,528	(3,074,175)	98,551,353
Transferred to legal reserve	-	10,162,553	(10,162,553)	-	-	-
Contributions to social and sports fund	-	-	(2,540,638)	(2,540,638)	-	(2,540,638)
Transaction with the owners of the Company:						
Bonus shares issued (Note10)	79,268,290	-	(79,268,290)	-	-	-
Balance at 31 December 2013 / 1January 2014	475,609,750	231,517,414	99,763,863	806,891,027	(3,681,223)	803,209,804
Total comprehensive income:						
Profit	-	-	140,272,150	140,272,150	-	140,272,150
Other comprehensive income	-	-	-	-	-	-
Total comprehensive income	-	-	140,272,150	140,272,150	-	140,272,150
Transferred to legal reserve	-	6,287,461	(6,287,461)	-	-	-
Contribution to social and sports fund	-	-	(3,506,804)	(3,506,804)	-	(3,506,804)
Transaction with the owners of the Company:						
Dividends (Note 12)	-	-	(71,341,463)	(71,341,463)	-	(71,341,463)
Balance at 31 December 2014	**475,609,750**	**237,804,875**	**158,900,285**	**872,314,910**	**(3,681,223)**	**868,633,687**

The notes on pages 96 to 122 form an integral part of these Consolidated Financial Statements.

Consolidated Statement of Cash Flows

For the year ended 31 December 2014

In Qatari Riyals

	Note	31 December 2014	31 December 2013
Cash flows from operating activities			
Profit		140,272,150	98,551,353
Adjustments for:			
Depreciation of property, plant and equipment	4	73,305,953	56,712,617
Amortisation of intangible assets	7	6,646,815	6,646,815
Valuation gain from investment property	6	(14,722,840)	(9,243,767)
Provision for impairment of trade receivables (net)	8	1,760,000	6,116,168
Loss / (gain) on disposal of property, plant and equipment		126,073	(53,566)
Provision for employees' end of service benefits	14	5,760,105	4,483,756
Finance costs		36,096,820	28,187,148
Finance income		(165,105)	(831,143)
		249,079,971	**190,569,381**
Changes in:			
Inventories		1,266,028	1,255,690
Accounts and other receivables		(16,362,385)	(12,641,851)
Accounts and other payables		27,997,648	21,172,406
Cash generated from operating activites		261,981,262	200,355,626
Employees' end of service benefits paid	14	(1,119,399)	(2,604,963)
Contribution to social and sports development fund		(2,540,638)	(2,022,106)
Net cash from operating activities		258,321,225	**195,728,557**
Cash flows from investing activites			
Purchase of property, plant and equipment	4	(39,314,482)	(34,240,644)
Proceeds from disposal of property, plant and equipment		1,838,000	505,927
Additions to project in progress	5	(251,639,759)	(257,063,079)
Finance income received		165,105	831,143
Net cash used in investing activities		(288,951,136)	**(289,966,653)**
Cash flows from financing activites			
Proceeds from loans and borrowings		179,631,148	270,857,502
Repayment of loans and borrowings		(69,622,067)	(90,596,895)
Finance costs paid		(22,613,946)	(28,187,148)
Dividends paid	12	(71,341,463)	-
Net cash from financing activities		16,053,672	**152,073,459**
Net (decrease) / increase in cash and cash equivalents		(14,576,239)	57,835,363
Cash and cash equivalents at 1 January		174,804,478	116,969,115
Cash and cash equivalents at 31 December	9	160,228,239	**174,804,478**

The notes on pages 96 to 122 form an integral part of these Consolidated Financial Statements.

1. LEGAL STATUS AND PRINCIPAL ACTIVITIES

Gulf Warehousing Company Q.S.C. (the "Company") is incorporated in accodrance with the provisions of the Qatar Commercial Companies Law No. 5 of 2002 as a Qatari Shareholding Company, and is registered with the the Ministry of Economy and Commerce of the State of Qatar under Commercial Registration number 27386 dated 21 March 2004. The registered office of the Company is at PO Box 24434, 'D' Ring road, Doha, State of Qatar. The ordinary shares of the Company are listed on the Qatar Stock Exchange.

The Consolidated Financial Statements of the Company comprise the Company and its subsidiaries (together referred to as the "Group" and individually as "Group entities").

The principal activities of the Group which have not changed since the previous year are the provision of logistic (set-up, establishment, and management of all types of warehouses for storage), and freight forwarding services.

These Consolidated Financial Statements were authorized for issue by the Company's Board of Directors on 15 January 2015.

The subsidiaries of the Group, including branches of the Company, are as follows:

Name of subsidiary	Country of incorporation	Principal activities	Group effective shareholding	
			31 December 2014	31 December 2013
Agility W.L.L.*	State of Qatar	Logistics and transportation	100%	100%
GWC Chemicals W.L.L.	State of Qatar	Chemical trading and Transport	100%	100%
GWC Food Services W.L.L. (Formerly GWC Projects)	State of Qatar	Trading in food stuffs	100%	100%
GWC Global Cargo & Transport L.L.C.*	United Arab Emirates	Warehousing and Transportation	100%	100%
Imdad Sourcing & Logistic Group W.L.L.	State of Qatar	Trading in food stuff 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%
Gulf Warehousing Marine Services	State of Qatar	Marine Services	100%	100%

**Operating Group entities.*

2. BASIS OF PREPARATION

Statement of compliance

These Consolidated Financial Statements have been prepared in accordance with International Financial Reporting Standards (IFRS).

Basis of measurement

These Consolidated Financial Statements have been prepared under the historical cost convention AS modified with the revaluation of investment property.

Functional and presentation currency

These Consolidated Financial Statements are presented in Qatari Riyals, which is the Company's functional currency. All amounts have been rounded to the nearest Qatari Riyal, unless otherwise indicated.

Use of judgments and estimates

The preparation of financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the application of Group's accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised and in any future periods affected.

In particular, information about significant areas of estimation uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amount recognized in the Consolidated Financial Statements are described in Note 26.

New Standards, amendments and interpretations issued and effective on or after 1 January 2014

During the current year, the Group adopted all the below new and revised International Financial Reporting Standards that are relevant to its operations and are effective as of 1 January 2014. There was no material effect on the accounting policies of the Group as a result of their adoption:

Amendments to IAS 32 Offsetting Financial Assets and Financial Liabilities

The amendments to IAS 32 clarify the requirements relating to the offset of financial assets and financial liabilities. Specifically, the amendments clarify the meaning of ‚currently has a legally enforceable right of set-off' and, simultaneous realisation and settlement'. The amendments have been applied retrospectively.

Amendments to IFRS 10, IFRS 12 and IAS 27 "Investment Entities"

The amendments to IFRS 10 define an investment entity and require a reporting entity that meets the definition of an investment entity not to consolidate its subsidiaries but instead to measure its subsidiaries at fair value through profit or loss in its consolidated and separate financial statements.

Consequential amendments have been made to IFRS 12 and IAS 27 to introduce new disclosure requirements for investment entities.

Amendments to IAS 36 Recoverable Amount Disclosures for Non-Financial Assets

The amendments to IAS 36 remove the requirement to disclose the recoverable amount of a cash-generating unit (CGU) to which goodwill or other intangible assets with indefinite useful lives had been allocated when there has been no impairment or reversal of impairment of the related CGU. Furthermore, the amendments introduce additional disclosure requirements applicable to when the recoverable amount of an asset or a CGU is measured at fair value less costs of disposal. These new disclosures include the fair value hierarchy, key assumptions and valuation techniques used which are in line with the disclosure required by IFRS 13 - Fair Value Measurements.

2. BASIS OF PREPARATION (CONTINUED)

New Standards, amendments and interpretations issued and effective on or after 1 January 2014 (continued)

IFRIC 21 Levies

IFRIC 21 on Levies (amendments to IAS 32) provide guidance on the accounting for levies in the financial statements of the entity that is paying the levy.

New standards, amendments and interpretations issued but not yet effective

A number of new standards, amendments to standards and interpretations are effective for annual periods beginning on or after 1 January 2015, and have not been applied in preparing these Consolidated Financial Statements. Those which are relevant to the Group are set out below. The Group does not expect any significant impact on its accounting policies from their adoption and does not plan to early adopt these standards.

IFRS 9 - Financial Instruments

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 is assessing the potential impact on its Consolidated Financial Statements resulting from the application of IFRS 9.

IFRS 15 – Revenue from Contracts with Customers

IFRS 15 establishes a comprehensive framework for determining whether, how much and when revenue is recognized. It replaces existing revenue recognition guidance, including IAS 18 Revenue, IAS 11 Construction Contracts and IFRIC 13 Customer Loyalty Programs. IFRS 15 is effective for annual reporting periods beginning on or after 1 January 2017, with early adoption permitted.

Amendments to IAS 16 and IAS 38 Clarification of Acceptable Methods of Depreciation and Amortisation

The amendments to IAS 16 prohibits entities from using a revenue based depreciation method for items of property, plant and equipment. The amendments to IAS 38 introduce a rebuttable presumption that revenue is not an appropriate basis for amortisation of an intangible asset. This presumption can only be rebutted if the intangible asset is expressed as a measure of revenue or when it can be demonstrated that revenue and consumption of the economic benefits of the intangible asset are highly correlated. The amendments apply prospectively for annual periods beginning on or after 1 January 2016.

Amendments to IAS 19 Defined Benefit Plans: Employee Contributions

The amendments to IAS 19 clarify how an entity should account for contributions made by employees or third parties to define benefit plans, based on whether those contributions are dependent on the number of years of service provided by the employee. For contributions that are independent of the number of years of service, the entity may either recognize the contributions as a reduction in the service cost in the period in which the related service is rendered, or to attribute them to the employees periods of service using the project unit credit method; whereas for contributions that are dependent on the number of years of service, the entity is required to attribute them to the employees periods of service.

Annual improvements to IFRSs 2010-2012 cycle and 2011-2013 cycle

The annual improvements to IFRSs to 2010-2012 and 2011 -2013 cycles include a number of amendments to various IFRSs. Most amendments will apply prospectively for annual periods beginning on or after 1 July 2014; earlier application is permitted (along with the special transitional requirement in each case) in which case the related consequential amendments to other IFRSs would also apply.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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.

Basis of consolidation

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

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

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

Profit or loss and each component of Other Comprehensive Income are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. These Consolidated Financial Statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the Group are eliminated in full on consolidation

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

Property, plant and equipment

Property, plant and equipment are stated at cost, net of accumulated depreciation and impairment losses, if any. When significant parts of property, plant and equipment are required to be replaced in intervals, the Group recognises such parts as individual assets with specific useful lives and depreciation, respectively. All other repair and maintenance costs are recognized in the consolidated statement of profit or loss as incurred.

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

Buildings	25 years
Office equipment	3 to 5 years
Furniture & fixtures	4 years
Warehouse equipment	5 to 25 years
Motor vehicles	5 to 12 years
Tools and equipment	4 years

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable. If any such indication exists and where the carrying values exceed the estimated recoverable amount, the assets are written down to their recoverable amount, being the higher of their fair value less costs to sell and their value in use.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Property, plant and equipment (continued)

An item of property, plant and equipment and any significant part initially recognized is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset calculated as the difference between the net disposal proceeds and the carrying amount of the asset is included in the consolidated statement of profit or loss when the asset is derecognized.

The assets' residual values, useful lives and methods of depreciation are reviewed at each financial year end, and adjusted prospectively, if appropriate.

Projects in progress

Projects in progress comprise constructions in progress of properties whose use in terms of owner occupied property or investment property has not been decided by Group management. Projects in progress are carried at cost less impairment, if any. Costs are those expenses incurred by the Group that are directly attributable to the construction of properties. Once completed, these properties are transferred either to the investment property or to the property, plant and equipment depending on the management's decision for their intended use.

Investment property

Investment property comprises land and building held for long term and to earn rentals or for capital appreciation or both. A property interest that is held by a lessee under an operating lease may be classified and accounted for as investment property if, and only if, the property would otherwise meet the definition of an investment property.

Investment property is measured initially at cost, including transaction costs. The carrying amount includes the cost of replacing part of an existing investment property at the time that cost is incurred if the recognition criteria are met and excludes the costs of day-to-day servicing of an investment property. The initial cost of a property interest held under a lease and classified as an investment property is recognized at the lower of the fair value of the property and the present value of minimum lease payments. Subsequent to initial recognition, investment property is stated at fair value, which reflects market conditions at the reporting date. Gain or loss arising from changes in the fair values of investment property is included in the consolidated statement of profit or loss in the period in which they arise. Fair values are evaluated annually by an accredited external, independent valuer.

Investment property is derecognized when either it is disposed of or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognized in the consolidated statement of profit or loss.

Transfers are made to or from investment property only when there is a change in use. For a transfer from investment property to owner-occupied property, the deemed cost for subsequent accounting is the fair value at the date of change in use. If owner-occupied property becomes an investment property, the Group accounts for such property in accordance with the policy stated under property, plant and equipment up to the date of change in use.

Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is the fair value as at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and any accumulated impairment losses, if any. Internally generated intangible assets, excluding capitalized development costs are not capitalized and expenditure is reflected in the consolidated statement of profit or loss in the year in which the expenditure is incurred.

The useful lives of intangible assets are assessed to be either finite or indefinite.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Intangible assets (continued)

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognized in the consolidated statement of profit or loss as an expense that is consistent with the function of the intangible assets.

Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the consolidated statement of profit or loss when the asset is derecognized.

A summary of the useful lives and amortization methods of Group's intangible assets other than goodwill are as follows:

	Customer contracts and related customer relationships	Brand name
Useful lives	Finite (4-10 years)	Finite (10 years)
Amortization method used	Amortized on straight line basis over the periods of availability.	Amortized on straight line basis over the periods of availability.
Internally generated or acquired	Acquired	Acquired

Impairment of non-financial assets

The Group assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating units (CGU) fair value less costs to sell and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators. The Group bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Group's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth year. Impairment losses of continuing operations, including impairment on inventories, are recognized in the consolidated statements of profit or loss in expense categories consistent with the function of the impaired asset.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Impairment of non-financial assets (continued)

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

The following assets have specific characteristics for impairment testing:

Goodwill

Goodwill is tested for impairment annually and when circumstances indicate that the carrying value may be impaired. Impairment is determined for goodwill by assessing the recoverable amount of each CGU (or group of CGUs) to which the goodwill relates. When the recoverable amount of the CGU is less than its carrying amount, an impairment loss is recognized. Impairment losses ·relating to goodwill cannot be reversed in future periods.

Inventories

Inventories are stated at the lower of cost and net realizable value. Cost is determined using the weighted average cost method. Net realizable value is the estimated selling price in the ordinary course of business less applicable saleable expenses. Inventories comprise trading stock, spares and consumables as at the reporting date.

Accounts and other receivables

Account receivables are carried at original invoiced amount less impairment for non-collectability of these receivables. An allowance for impairment is made when there is objective evidence (such as the probability of insolvency or significant financial difficulties of the debtor) that the Group will not be able to collect all of the amounts due under the original terms of the invoice. The carrying amount of the receivable is reduced through use of an allowance account. Impaired debts are derecognized when they are assessed as uncollectible.

Cash and cash equivalents

Cash and cash equivalents comprise bank balances, cash, and short-term deposits with an original maturity of three months or less.

Derecognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognized when:

(a) The rights to receive cash flows from the asset have expired;

(b) The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a ,pass-through· arrangement; and either:

- (i) The Group has transferred substantially all the risks and rewards of the asset, or
- (ii) The Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Impairment of financial assets

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

Financial assets carried at amortized cost

For financial assets carried at amortized cost, the Group first assesses whether objective evidence of impairment exists individually for financial assets that are individually significant, or collectively for financial assets that are not individually significant. If the Group determines that no objective evidence of impairment exists for an individually financial assets, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is, or continues to be, recognized are not included in a collective assessment of impairment.

The carrying amount of the asset is reduced through the use of an allowance account and the loss is recognized in the consolidated statement of profit or loss. If, in a subsequent year, the amount of the estimated impairment loss increases or decreases because of an event occurring after the impairment was recognized, the previously recognized impairment loss is increased or reduced by adjusting the allowance account. If a write-off is later recovered, the recovery is credited to finance costs in the consolidated statement of profit or loss.

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

Loans and borrowings

Loans and borrowings are recognized initially at the fair value of the amounts borrowed, less directly attributable transaction costs. Subsequent to initial recognition, they are measured at amortized cost, using the effective profit method, with any differences between the cost and final settlement values being recognized in the consolidated statement of profit or loss over the period of borrowings. Installments due within one year are shown as a current liability.

Employees' end of service benefits

The Group provides end of service benefits to its expatriate employees in accordance with employment contracts and the Qatar Labor Law No. 14 of 2004. The entitlement to these benefits is based upon the employees' final salary and length of service, subject to the completion of a minimum service period. The expected costs of these benefits are accrued over the period of employment.

Also, the Group provides for its contribution to the State of Qatar administered retirement fund for Qatari employees in accordance with the Retirement Law. The resulting charge is included within the staff cost in the consolidated statement of profit or loss. The Group has no further payment obligations once the contributions have been paid. The contributions are recognized when they are due.

Accounts payable and accruals

Liabilities are recognized for amounts to be paid in the future for goods or services received, whether billed by the supplier or not.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Provisions

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

Leasing

The determination of whether an arrangement is a lease or it contains a lease, is based on the substance of the arrangement and requires an assessment of whether the fulfillment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset.

Group as a lessee

Leases which do not transfer to the Group substantially all the risks and benefits incidental to ownership of the leased items are operating leases. Operating lease payments are recognized as an expense in the consolidated statement of profit or loss on a straight line basis over the lease term.

Foreign currency translation

Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the end of the reporting date. All differences are taken to the consolidated statement of profit or loss.

Earnings per share

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

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 the Group's Top 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.

Current versus non-current classification

The Group presents assets and liabilities based on current/non-current classification. An asset is current when it is:

- Expected to be realized or intended to be sold or consumed in normal operating cycle, held primarily for the purpose of trading
- Expected to be realized within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Current versus non-current classification (continued)

All other assets are classified as non-current. A liability is current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting , or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting

The Group classifies all other liabilities as non-current.

Fair value measurement

The Group measures financial and non-financial assets and liabilities, at fair value at each reporting date for accounting and or disclosure purposes. Also, fair values of financial instruments measured at amortized cost are disclosed in Note 25.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible to the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the Consolidated Financial Statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities;
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable;
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognized in the Consolidated Financial Statements on a recurring basis, the Group determines whether transfers have occurred between Levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fair value measurement (continued)

The Group's management determines the policies and procedures for both recurring fair value measurement, such as investment property. The management comprises of the head of the logistics operations segment, the head of the internal audit department, chief finance officers and the managers of each property.

External valuers are involved for valuation of significant assets, such as investment property. Involvement of external valuers is decided upon annually by the management after discussion with and approval by the Company's audit committee. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained. The management decides, after discussions with the Group's external valuers, which valuation techniques and inputs to use for each case.

At each reporting date, the management analyses the movements in the values of assets and liabilities which are required to be re-measured or re-assessed as per the Group's accounting policies. For this analysis, the management verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts and other relevant documents.

The management, in conjunction with the Group's external valuers, also compares changes in the fair value of each asset and liability with relevant external sources to determine whether the change is reasonable.

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

Revenue

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognized.

Logistic operations

Logistic operations revenue primarily comprises inventory management, order fulfillment and transportation services. Logistics revenue is measured at the fair value of consideration received or receivable for goods and services and recognized upon completion of the services.

Freight forwarding

The Group generates freight forwarding revenues by purchasing transportation capacity from independent air, ocean and overland transportation providers and reselling that capacity to customers. Revenues are recognized upon completion of services.

Interest income

Interest income is recognized using the effective interest rate method.

Borrowing costs

Borrowing costs attributable to acquisition or construction of qualifying assets are capitalized as part of cost of the assets up to the date of asset being put to its intended use or the construction of the assets is complete. Other borrowing costs are recognized as an expense in the year in which they are incurred.

4. PROPERTY, PLANT AND EQUIPMENT

	Buildings[1]	Office equipment	Furniture & fixtures	Warehouse equipment[2]	Motor vehicles	Tools and equipment	Total
Cost							
Balance at 1 January 2013	546,586,272	25,473,343	12,052,944	54,656,570	139,738,029	1,195,415	779,702,573
Additions	2,382,918	3,755,915	2,063,712	14,974,556	10,429,151	634,392	34,240,644
Disposals	-	-	-	-	(1,092,887)	-	(1,092,887)
Transfers (Note 5)	329,497,129	-	-	-	-	-	329,497,129
Balance at 31 December 2013	878,466,319	29,229,258	14,116,656	69,631,126	149,074,293	1,829,807	1,142,347,459
Additions	7,011,320	3,549,320	7,403,780	13,216,804	7,817,991	315,267	39,314,482
Disposals	-	(17,200)	-	-	(6,652,073)	-	(6,669,273)
Transfers (Note 5)	219,362,450	831,152	10,475,256	-	-	-	230,668,858
Balance at 31 December 2014	**1,104,840,089**	**33,592,530**	**31,995,692**	**82,847,930**	**150,240,211**	**2,145,074**	**1,405,661,526**
Accumulated depreciation							
Balance at 1 January 2013	43,618,007	11,225,896	6,054,806	22,899,249	70,663,816	388,927	154,850,701
Additions	28,858,193	5,269,520	2,581,624	4,697,451	14,971,631	334,198	56,712,617
Disposals	-	-	-	-	(640,526)	-	(640,526)
Balance at 31 December 2013	72,476,200	16,495,416	8,636,430	27,596,700	84,994,921	723,125	210,922,792
Additions	40,372,250	6,761,706	4,162,476	5,869,039	15,627,122	513,360	73,305,953
Disposals	-	(15,914)	-	-	(4,689,286)	-	(4,705,200)
Balance at 31 December 2014	**112,848,450**	**23,241,208**	**12,798,906**	**33,465,739**	**95,932,757**	**1,236,485**	**279,523,545**
Carrying amounts							
At 31 December 2013	805,990,119	12,733,842	5,480,226	42,034,426	64,079,372	1,106,682	931,424,667
At 31 December 2014	**991,991,639**	**10,351,322**	**19,196,786**	**49,382,191**	**54,307,454**	**908,589**	**1,126,137,981**

[1] Buildings are constructed on land leased for long term basis from State of Qatar. These leases are renewal for long term periods.
[2] Warehouse equipment are mortgaged against certain loans and borrowings (Note13).

4. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

The depreciation charge has been allocated in the consolidated statement of profit or loss and other comprehensive income as follows:

	31 December 2014	31 December 2013
Direct costs (Note 18)	69,428,058	53,253,977
General and adminstrtive expenses (Note 19)	3,877,895	3,458,640
	73,305,953	**56,712,617**

5. PROJECTS IN PROGRESS

	2014	2013
Balance as at 1 January	256,146,536	351,880,586
Additions	251,639,759	257,063,079
Transfers to property, plant and equipment (Note 4)	(230,668,858)	(329,497,129)
Transfers to investment property (Note 6)	(26,274,458)	(23,300,000)
Balance as at 31 December	**250,842,979**	**256,146,536**

Projects in progress comprise mainly the constructions in Logistic Village Qatar Phase 4 and Kahramaa substation work.

The amount of borrowing costs capitalized during the year ended 31 December 2014 was QR 20.7 million (2013: QR 12.5 million). The weighted average rate used to determine the amount of borrowing cost eligible for capitalization was 4.5% per annum which is the effective interest rate of the specific borrowings. Building under constructions are mortgaged against certain loans and borrowings (Note 13).

6. INVESTMENT PROPERTY

	31 December 2014	31 December 2013
Balance as at 1 January	131,971,562	99,427,795
Transfer from project in progress (Note 5)	26,274,458	23,300,000
Net increase in fair value	14,722,840	9,243,767
Balance at 31 December	**172,968,860**	**131,971,562**

Investment property comprises a number of commercial properties that are leased to third parties. Each of the leases contains an initial non-cancellable period of 10 years, with annual rents indexed to consumer prices. Subsequent renewals are negotiated with the lessees and historically the average renewal period was four years. No contingent rents are charged.

6. INVESTMENT PROPERTY (CONTINUED)

The fair value of investment property were determined by external, independent property valuers, having appropriate recognized professional qualifications and recent experience in the location and category of the property being valued. The independent valuers provide the fair value of the Group's investment property at each year-end.

The following table provides the fair value measurement hierarchy of investment property:

2014	Fair value	Level 1	Level 2	Level 3
Investment property	172,968,860	-	172,968,860	-
2013		Level 1	Level 2	Level 3
Investment property	131,971,562	-	131,971,562	-

There have been no transfers between Level 1 and Level 2 during the year.

7. INTANGIBLE ASSETS AND GOODWILL

	Goodwill[2]	Customer contracts and related customer relationships[1]	Brand name[1]	Total
Cost				
Balance at 1 January 2013	98,315,463	10,231,500	52,780,500	161,327,463
Accumulated amortisation				
At 1 January 2013	-	2,737,530	10,556,100	13,293,630
Additions (Note 19)	-	1,368,765	5,278,050	6,646,815
At 31 December 2013	-	4,106,295	15,834,150	19,940,445
Additions (Note 19)	-	1,368,765	5,278,050	6,646,815
At 31 December 2014	**-**	**5,475,060**	**21,112,200**	**26,587,260**
Carrying amounts				
At 31 December 2013	98,315,463	6,125,205	36,946,350	141,387,018
At 31 December 2014	**98,315,463**	**4,756,440**	**31,668,300**	**134,740,203**

[1] Customer contracts and the related customer relationships and brand name represent intangible assets acquired through business combination in the year 2011. The customer contracts and related customer relationships and brand name are assessed to have 10 years of useful life. As at 31 December 2014, these assets were tested for impairment and no impairment was identified.
[2] Impairment testing of goodwill.

7. INTANGIBLE ASSETS AND GOODWILL (CONTINUED)

The Group has identified the following business activities as cash generating units:

- Logistics
- Freight Forwarding operations

The Group has also determined that the above constitute the cash-generating units for testing the impairment of goodwill.

Accordingly, the goodwill acquired through business combination has been allocated to the cash generating units as follows:

	Carrying amount of goodwill	
	31 December 2014	**31 December 2013**
Cash generating units:		
Logistics operations	53,090,350	53,090,350
Freight forwarding operations	45,225,113	45,225,113
Total	**98,315,463**	**98,315,463**

The recoverable amount of all cash generating units has been determined based on value-in-use calculations. These calculations use cash flow projections based on financial budgets approved by management covering a five-year period. Cash flows beyond the five-year period are extrapolated using the estimated growth rate stated below. The terminal growth rate does not exceed the long-term average growth rate for the business in which the cash generating units operate. As a result of this exercise, at 31 December 2014 no impairments was identified. (2013: No impairment).

Key assumptions used in value in use calculations:

	Logistics operations		Freight forwarding operations	
	31 December 2014	**31 December 2013**	**31 December 2014**	**31 December 2013**
Compound annual volume growth	11.40%	12.44%	12.80%	11.80%
Terminal growth rate	3.00%	3.00%	3.00%	3.00%
Discount rate	13.3%	11.00%	14.32%	16.00%

Management determined compound annual volume growth rate for each cash generating units 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 development. The long term growth rates used are consistent with the forecasts included in industry reports. The discount rates used reflect specific risks relating to the relevant operating segments.

8. ACCOUNTS AND OTHER RECEIVABLES

	31 December 2014	31 December 2013
Accounts receivables, net	119,875,891	102,615,679
Advance to suppliers	24,579,824	54,899,458
Accrued revenue	38,864,726	34,974,302
Prepayments	57,252,798	34,694,007
Other receivable	8,976,740	7,764,148
	249,549,979	**234,947,594**

As at 31 December the aging of accounts receivable is follows:

	31 December 2014	31 December 2013
Not past due	21,004,909	23,390,456
Past due 0-30 days	34,339,710	13,657,546
Past due 31-60 days	22,926,771	23,426,946
Past due 61-90 days	13,047,867	15,807,536
More than 90 days	28,556,634	26,333,195
	119,875,891	**102,615,679**

Provision for impairment of accounts receivable:

	2014	2013
Balance as at 1 January	13,020,843	6,904,675
Provision made during the year	1,760,000	6,116,168
Balance as at 31 December	**14,780,843**	**13,020,843**

9. CASH AND CASH EQUIVALENTS

	31 December 2014	31 December 2013
Cash in hand	1,254,113	1,992,968
Bank balance-current account	118,974,126	82,811,510
Bank balance-deposit account(1)	40,000,000	90,000,000
	160,228,239	**174,804,478**

(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.

10. SHARE CAPITAL

Authorized and Issued and paid up ordinary shares at nominal value of QR 10 each:

	2014	2013
Balance as at 1 January	475,609,750	396,341,460
Bonus shares issued during the year	-	79,268,290
Balance as at 31 December	**475,609,750**	**475,609,750**

	2014	2013
	No. of shares	No. of shares
At 1 January	47,560,975	39,634,146
Bonus shares issued during the year	-	7,926,829
At 31 December	**47,560,975**	**47,560,975**

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 general meetings of the Company.

11. LEGAL RESERVE

In accordance with Qatar Commercial Companies' Law No. 5 of 2002, an amount equal to 10% of the net profit for the year is required to be transferred to a legal reserve until such time the legal reserve equals 50% of the Company's paid up share capital. This legal reserve is not available for distribution except in circumstances specified in the above mentioned law.

12. DIVIDENDS

A cash dividend amounting to QR 71.34 million has been declared in respect of financial year 2013 at QR 1.5 per share by the Board of Directors and approved by shareholders in Annual General Meeting held on 16 February 2014.

Proposed Dividend

The Board of Directors in its meeting held on 15 January 2015 proposed a cash dividend amounting to 71.34 million in respect of financial year 2014 at QR 1.5 per share. This proposal is subject to the approval of the shareholders' Annual General Meeting and the regulators in the State of Qatar.

13. LOANS AND BORROWINGS

	Years of maturity	31 December 2014	31 December 2013
LVQ term loans (i)	2020-2023	981,609,435	853,426,202
Other project loans (ii)	2023	7,716,477	8,218,780
Other term loans (iii)	2018	57,648,629	75,320,478
		1,046,974,541	**936,965,460**

13. LOANS AND BORROWINGS (CONTINUED)

Presented in the consolidated statement of financial position as:

	31 December 2014	31 December 2013
Current portion	67,994,913	165,397,714
Non-current portion	978,979,628	771,567,746
	1,046,974,541	**936,965,460**

(i) A term loan facility of QR 1,075 million was obtained from local banks to finance the construction and development of Logistic Village Qatar ("LVQ") located in Street # 52 of Industrial Area. The repayment on this facility began in April 2013. The term loan facility carries financing charges at Qatar Central Bank rate plus certain basis points with a floor of 4% per annum. The loans are secured against Company's building under construction, and assignment of revenues from the LVQ to the loan account with the lender.

(ii) These term loans have been taken from local financial institutions to finance the other capital projects of the Company. These loans carry financing charges at Qatar Central Bank rate plus certain basis points with a floor of 4% per annum. The loans are secured against warehouse equipment and other project related property.

(iii) A term loan amounting to QR 73 million was obtained from local financial institution to finance other capital projects of the Company. The repayment on this facility began in November 2014. The loan carries financing charges at Qatar Central Bank rate plus certain basis points with a floor of 5.1% per annum. The loan is secured against corporate guarantee of the Company and assignment of revenues to the account with the lender.

14. EMPLOYEES' END OF SERVICE BENEFITS

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

	2014	2013
Balance as at 1 January	13,258,297	11,379,504
Charge for the year	5,760,105	4,483,756
Paid during the year	(1,119,399)	(2,604,963)
Balance as at 31 December	**17,899,003**	**13,258,297**

15. ACCOUNTS AND OTHER PAYABLES

	31 December 2014	31 December 2013
Accounts payables	10,246,535	12,208,481
Accrued expenses	71,178,625	50,054,560
Other payables	55,516,417	32,383,338
Retentions payable	28,039,146	28,853,822
Provision for contribution for social and sports fund[(1)]	3,506,804	2,540,638
	168,487,527	**126,040,839**

[(1)]Pursuant to the Qatar Law No. 13 of 2008, the Company made an appropriation of QR 3.5 million (2013: QR 2.5 million) to the Social and Sports Development Fund of Qatar. This amount represents 2.5% of the net profit for the years ended 31 December 2014 and 2013.

16. RELATED PARTIES

The Group in the normal course of business carries out transactions with parties that fall within the definition of related parties as per International Accounting Standards (IAS) 24 "Related Party Disclosures."

Related party transactions

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

	Nature of transactions	31 December 2014	31 December 2013
Agility network	Revenue	7,460,658	5,041,963
Agility network	Purchase of services	**50,745,600**	**45,251,834**

Related party balances

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

	31 December 2014	31 December 2013
Due from Agility network	906,279	611,595
Due to Agility network	**5,727,975**	**6,744,514**

Compensation of key management personnel

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

	31 December 2014	31 December 2013
Short-term benefits	10,069,044	8,897,931
Employees' end of service benefits	84,000	27,652
	10,153,044	**8,925,583**

17. REVENUE

	31 December 2014	31 December 2013
Logistics operations	478,627,845	369,666,909
Freight forwarding	191,586,654	151,931,436
Others	3,117,263	5,661,023
	673,331,762	**527,259,368**

18. DIRECT COSTS

	31 December 2014	31 December 2013
Freight forwarding charges	135,190,996	113,275,712
Staff costs	103,477,739	81,915,031
Depreciation of property, plant and equipment (Note 4)	69,428,058	53,253,977
Logistics costs	52,514,702	33,182,558
Repairs and maintenance	29,526,565	19,602,644
Fuel	18,031,188	12,874,269
Material purchases	-	5,875,101
Water and electricity	8,289,721	4,005,017
Insurance	2,650,193	2,302,574
Manpower subcontract charges	3,003,889	2,619,999
Others	9,290,281	7,165,384
	431,403,332	**336,072,266**

19. GENERAL AND ADMINSTRATIVE EXPENSES

	31 December 2014	31 December 2013
Amortization of intangible assets (Note 7)	6,646,815	6,646,815
Board of directors remuneration	6,150,000	5,799,085
Rent	1,505,404	3,782,087
Depreciation (Note 4)	3,877,895	3,458,640
Communication and postage	2,017,650	2,762,813
Repairs and maintenance	3,281,460	1,882,999
Legal and professional fees	2,310,955	1,281,627
Provision for impairment on accounts receivable (Note 8)	1,760,000	6,116,168
Employee benefits	1,497,435	1,227,537
Advertisement	1,317,430	1,219,413
Travelling expenses	1,088,591	1,128,770
License and registration fees	1,294,582	529,887
Printing and stationary	265,067	294,647
Government fees and expenses	69,984	195,308
Water and electricity	52,242	186,535
Other expenses	7,072,244	4,429,192
	40,207,754	**40,941,523**

20. 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.

	31 December 2014	31 December 2013
Profit attributable to the owners of the Company	140,272,150	101,625,528
Weighted average number of shares	47,560,975	47,560,975
Basic and diluted earnings per share	**2.95**	**2.14**

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

	2014	2013
Qualifying shares on 1 January	47,560,975	39,634,146
Bonus shares issued during the year (Note 10)	-	7,926,829
31 December	**47,560,975**	**47,560,975**

21. CONTINGENCIES AND COMMITMENTS

	31 December 2014	31 December 2013
Letters of guarantee	20,966,956	14,135,777
Performance bonds	57,886,143	30,962,891
	78,853,099	**45,098,668**

The Group has entered into capital commitments relating to certain construction contracts amounting to QR 117.5 million (2013: QR 186 million).

22. OPERATING LEASES

Leases as lessee

The Group leases a number of plot of lands under operating leases, the leases typically run for a period of 5 to 30 years, with an option to renew the lease after that date.

The leases were entered into many years ago. The Group determined that the land leases are 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 landlord.

22. OPERATING LEASES (CONTINUE)

Future minimum rentals payments

At 31 December, the future lease payments under non-cancellable operating leases were payable as follows.

	31 December 2014	31 December 2013
Less than one year	3,665,824	2,389,740
Between one and five years	14,716,115	7,785,568
More than five years	44,708,837	17,230,107
	63,090,776	**27,405,415**

Amounts recognized in the consolidated statement of profit or loss.

	31 December 2014	31 December 2013
Lease expense	3,672,354	2,265,765
Sub-lease income	13,975,776	8,859,789
	17,648,130	**11,125,554**

Leases as lessor

The Group leases out its investment property (Note 6)

Future minimum rentals payments

At 31 December, the future minimum lease payments under non-cancellable leases are receivable as follows:

	31 December 2014	31 December 2013
Less than one year	15,554,136	13,975,776
Between one and five years	11,824,918	27,379,054
	27,379,054	**41,354,830**

23. 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 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.

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

	31 December 2014		31 December 2013	
	Segment revenue	**Segment profit**	**Segment revenue**	**Segment profit / (loss)**
Operating segments				
Logistics operations	478,627,845	120,094,607	369,666,909	92,444,742
Freight forwarding	191,586,654	4,991,733	151,931,436	2,305,528
Others	3,117,263	250,043	5,661,023	(6,273,827)
Unallocated	-	14,935,767	-	10,074,910
	673,331,762	**140,272,150**	**527,259,368**	**98,551,353**

The following table presents segment assets as at 31 December 2014 and 31 December 2013:

	At 31 December 2014	At 31 December 2013
Operating segments		
Logistics operations	1,718,931,793	1,497,888,851
Freight forwarding	157,870,529	143,682,398
Others	12,223,576	15,931,589
Unallocated	212,968,860	221,971,562
	2,101,994,758	**1,879,474,400**

The segment revenue is generated mainly from the State of Qatar. A very insignificant amount is generated from the United Arab Emirates.

24. FINANCIAL RISK MANAGEMENT

Objective and policies

The Group's principal financial liabilities comprise loans and borrowings, retention payable and Accounts and other payables. The main purpose of these financial liabilities is to raise finance for the Group's operations. The Group has various financial assets such as accounts receivables and bank balances which arise directly from its operations.

The main risks arising from the Group's financial instruments are market risk, credit risk and liquidity risk. The management reviews and agrees policies for managing each of these risks which are summarized below.

Market risk

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

Currency risk

Currency risk is the risk that the value of a financial instrument will fluctuate due to a change in foreign exchange rates. The Group is exposed to foreign currency risk on its imports. However, the outstanding payments are designated in US Dollar. As the Qatari Riyals is pegged to the US Dollar, balances in US Dollar are not considered to represent a significant currency risk.

Interest rate risk

Interest rate risk is the risk that the Group's earnings will be affected as a result of fluctuations in the value of financial instruments due to changes in market interest rates. The Group's exposure to interest rate risk is limited to the variable interest bearing borrowings.

At the reporting date, a reasonably possible changes of 100 basis points in interest rates would have increased / (decreased) equity and profit or loss by the amounts showing below:

	At 31 December 2014	At 31 December 2013
Variable rate loans and borrowings	**10,469,745**	**9,369,655**

Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Group's exposure to credit risk is as indicated by the carrying amount of its assets which consist principally of accounts receivable and bank balances.

With respect to credit risk arising from the financial assets of the Group, the exposure to credit risk arises from default of the counterparty, with a maximum exposure equal to the carrying amount of these instruments as follows:

	At 31 December 2014	At 31 December 2013
Bank balances	158,974,126	172,811,510
Account receivables	119,875,891	102,615,679
Other receivables	8,976,740	7,764,148
	287,826,757	**283,191,337**

24. FINANCIAL RISK MANAGEMENT (CONTINUED)

Credit risk (continued)

The Group continues to render services to more than 942 (2013: 823) customers with its largest 5 customers accounting for 38% (2013: 30%) of accounts 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.

The Group reduces the exposure of credit risk arising from other financial assets by maintaining bank accounts with reputable and creditworthy banks and providing services only to the creditworthy counter parties.

Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet financial obligations as they fall due. The Group's approach to managing liquidity risk is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation and is to maintain a balance between continuity of funding and flexibility through the use of bank loans.

The table below summarizes the maturity profile of the Group's financial liabilities at 31 December based on contractual undiscounted payments.

2014	Carrying Amount	Contractual cash flows	1-12 months	1-5 years	More than 5 years
Accounts and other payables	164,980,723	(164,980,723)	(164,980,723)	-	-
Loans and borrowings	1,046,974,541	(1,315,977,651)	(85,538,010)	(793,660,871)	(436,778,770)
At 31 December	**1,211,955,264**	**(1,480,958,374)**	**(250,518,733)**	**(793,660,871)**	**(436,778,770)**

2013	Carrying	Contractual cash flows	1-12 months	1-5 years	More than 5 years
Accounts and other payables	123,500,201	(123,500,201)	(123,500,201)	-	-
Loans and borrowings	936,965,460	(1,200,163,682)	(184,473,285)	(915,033,092)	(100,657,305)
At 31 December	**1,060,465,661**	**(1,323,663,883)**	**(307,973,486)**	**(915,033,092)**	**(100,657,305)**

24. FINANCIAL RISK MANAGEMENT (CONTINUED)

Capital management

The Group policy is to maintain a strong capital base so as to maintain investor, creditor confidence and to sustain future development of the business. Management monitors the capital base on a continuous basis.

The management seeks to maintain a balance between the higher returns that might be possible with higher levels of borrowings and the advantages and security afforded by a sound capital position.

The Group manages its capital structure and makes adjustments to it, in light of changes in economic and business conditions and shareholders' expectation. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders or issue new shares. No changes were made in the objectives, policies or processes during the years ended 31 December 2014 and 31 December 2013. Capital comprises share capital of QR 475 million (2013: QR 475 million).

Operational risk

As a precaution in managing exposure to business continuity risk arising from potential losses or damages to customer goods; an amount of QR 600 million (2013: QR 385 million) worth of customer goods has been covered through insurance coverage. Also the Group limits its liability towards any losses by way of contractual agreements entered with respective customers.

25. FINANCIAL ASSETS AND FINANCIAL LIABILITIES

Fair values

Set out below is a comparison by class of the carrying amounts and fair value of the Group's financial instruments that are carried at amortised cost in the Consolidated Financial Statements:

	Carrying Amounts		Fair values	
	31 December 2014	31 December 2013	31 December 2014	31 December 2013
Financial assets				
Bank balances (excluding cash)	158,974,126	172,811,510	158,974,126	172,811,510
Accounts and other receivables	128,852,631	110,379,827	128,852,631	110,379,827
Financial liabilities				
Payables and other liabilities	164,980,723	123,500,201	164,980,723	123,500,201
Loans and borrowings	**1,046,974,541**	**936,965,460**	**1,046,974,541**	**936,965,460**

The fair value of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values.

Bank balance, receivables and payables and other liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

26. SIGNIFICANT ESTIMATES AND JUDGEMENTS

Use of estimates

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

Impairment of accounts receivable

An estimate of the collectible amount of accounts receivable is made when collection of the full amount is no longer probable. For individually significant amounts, this estimation is performed on an individual basis. Amounts which are not individually significant, but which are past due, are assessed collectively and a provision applied according to the length of past due.

Useful lives of property, plant and equipment

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

Going concern

Management has made an assessment of the Group's ability to continue as a going concern and is satisfied that the Group has the resources to continue in business for the foreseeable future. Furthermore, the management is not aware of any material uncertainties that may cast significant doubt upon the Group's ability to continue as a going concern. Therefore, the Consolidated Financial Statements continue to be prepared on a going concern basis.

Fair value of investment property

Management carries its investment property at fair value, with changes in fair value recognized in the consolidated statement of profit or loss and other comprehensive income. The Group engaged an independent valuation specialist to assess fair value as at 31 December 2014 for investment property. The independent evaluator uses the market situations, estimated yield and the recent real estate transactions with similar characteristics and location of properties for the valuation of investment property.

Goodwill

Management tests annually whether goodwill has suffered any impairment, in accordance with the accounting policy. The recoverable amounts of cash-generating units have been determined based on value-in-use calculations. These calculations require the use of estimates (Note 7).

27. COMPARATIVE FIGURES

The corresponding figures presented for the year 2013 have been reclassified where necessary to preserve consistency with the year 2014 figures. However, such reclassifications did not have any effect on the comprehensive income or the total equity for the year 2013.

Independent Auditors' Report on pages (91) and (92).

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