

**GULF INTERNATIONAL SERVICES (Q.P.S.C)
UNAUDITED INTERIM CONDENSED CONSOLIDATED
FINANCIAL STATEMENTS
FOR THE NINE MONTH PERIOD ENDED
30 SEPTEMBER 2018**

GULF INTERNATIONAL SERVICES (Q.P.S.C)
INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at 30 September 2018

	30 September 2018 (Unaudited)	31 December 2017 (Audited)
(All amounts are expressed in thousands of Qatari Riyals unless otherwise stated)		
ASSET		
Non-current assets		
Property and equipment	7,016,799	7,219,761
Goodwill	303,559	303,559
Intangible assets	278	1,112
Contract assets	10,937	-
Financial investments	288,002	390,953
Total non-current assets	7,619,575	7,915,385
Current assets		
Inventories	212,915	202,116
Contract assets	14,450	-
Due from related parties	457,048	462,841
Financial investments	302,658	201,029
Trade and other receivables	593,281	507,028
Insurance contract receivables	209,315	188,360
Cash and bank balances	887,941	951,717
Total current assets	2,677,608	2,513,091
Total assets	10,297,183	10,428,476
EQUITY AND LIABILITIES		
EQUITY		
Share capital	1,858,409	1,858,409
Legal reserve	359,410	359,410
General reserve	74,516	74,516
Foreign currency translation reserve	(2,866)	36
Fair value reserve	(5,331)	(3,692)
Retained earnings	1,396,494	1,389,884
Total equity	3,680,632	3,678,563
LIABILITIES		
Non-current liabilities		
Loans and borrowings	4,170,800	4,247,662
Contract liabilities	21,865	-
Provision for decommissioning costs	41,598	25,954
Provision for employees' end of service benefits	79,855	76,757
Total non-current liabilities	4,314,118	4,350,373
Current liabilities		
Bank overdraft	1,269	-
Dividends payable	88,515	95,346
Due to related parties	29,251	8,312
Loans and borrowings	934,887	897,803
Trade and other payables	1,185,990	1,355,182
Contract liabilities	43,021	-
Provision for decommissioning costs	19,500	42,897
Total current liabilities	2,302,433	2,399,540
Total liabilities	6,616,551	6,749,913
Total equity and liabilities	10,297,183	10,428,476

These interim condensed consolidated financial statements were approved by the Board of Directors and authorized for issue on 28/10/2018 by:



Saad Rashid Al-Muhannadi
Board Member



Ghanim Mohammed Al-Kuwari
Board Member

GULF INTERNATIONAL SERVICES (Q.P.S.C)
INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER
COMPREHENSIVE INCOME
For the nine month period ended 30 September 2018

	Nine month period ended 30 September	
	2018 (Unaudited)	2017 (Unaudited)
(All amounts are expressed in thousands of Qatari Riyals unless otherwise stated)		
Revenue	1,961,102	1,875,971
Direct costs	(1,649,316)	(1,584,152)
Gross profit	311,786	291,819
Other income	35,441	10,326
Impairment of assets	(8,504)	(11,004)
General and administrative expenses	(163,011)	(176,269)
Net gain (loss) on held for trading shares	10,330	3,111
Operating profit	186,042	117,984
Finance income	20,800	28,822
Finance cost	(167,380)	(124,607)
Profit for the period	39,461	22,198
Other comprehensive income		
Net fair value loss on financial investments	(3,780)	(13,916)
Net foreign exchange differences on translation of foreign operations	(2,902)	2,133
Other comprehensive income / (loss) for the period	(6,682)	(11,783)
Total comprehensive income for the period	32,779	10,415
Earnings per share		
Basic and diluted earnings per share (Qatari Riyals)	0.21	0.12

GULF INTERNATIONAL SERVICES (Q.P.S.C)
INTERIM CONDENSED CONSOLIDATED STATEMENT OF STATEMENT OF CHANGES IN EQUITY
For the nine month period ended 30 September 2018

	Share capital		Legal reserve	General reserve	Foreign currency translation reserve	Fair value reserve	Retained earnings	Total
(All amounts are expressed in thousands of Qatari Riyals unless otherwise stated)								
Balance at 1 January 2017 (Audited)	1,858,409	352,294	74,516	1,325	12,239	1,499,985	3,798,768	
Profit for the period	-	-	-	-	-	22,198	22,198	
Other comprehensive income	-	-	-	2,133	(13,917)	-	(11,784)	
Dividends declared	-	-	-	-	-	(185,841)	(185,841)	
Balance at 30 September 2017 (Unaudited)	1,858,409	352,294	74,516	3,458	(1,678)	1,336,341	3,623,341	
Balance at 31 December 2017 (Audited)	1,858,409	359,410	74,516	36	(3,692)	1,389,884	3,678,563	
Adjustment on initial application of IFRS 9	-	-	-	-	2,141	(6,945)	(4,804)	
Adjustment on initial application of IFRS 15	-	-	-	-	-	(25,907)	(25,907)	
Adjusted balance at 1 January 2018 (Audited)	1,858,409	359,410	74,516	36	(1,551)	1,357,032	3,647,852	
Profit for the period	-	-	-	-	-	39,462	39,462	
Total comprehensive income	-	-	-	(2,902)	(3,780)	-	(6,682)	
Dividends declared	-	-	-	-	-	-	-	
Balance at 30 September 2018 (Unaudited)	1,858,409	359,410	74,516	(2,866)	(5,331)	1,396,494	3,680,632	

GULF INTERNATIONAL SERVICES (Q.P.S.C)
INTERIM CONDENSED CONSOLIDATED STATEMENT OF STATEMENT OF CASH FLOWS
For the nine month period ended 30 September 2018

	Nine month period ended 30 September	
	2018	2017
(All amounts are expressed in thousands of Qatari Riyals unless otherwise stated)	(Unaudited)	(Unaudited)
OPERATING ACTIVITIES:		
Net profit for the period	39,461	22,198
Adjustments for:		
Depreciation and amortization	355,481	416,863
Impairment of property and equipment	7,743	-
Finance costs	167,380	124,607
Provision for employees' end of service benefits	15,325	12,550
Change in foreign currency translation reserve	(2,902)	2,133
Loss/(gain) on disposal of property and equipment	8,437	(3,999)
Profit distribution from managed funds	(3,161)	-
Net loss/(gain) on financial assets through profit or loss	(10,330)	-
Interest income	(20,800)	(10,326)
Net movement of financial assets at fair value through profit or loss	(1,048)	(3,112)
Net(gain) disposal of financial investments	(6,996)	(3,547)
Amortization of finance cost related to borrowings	5,587	-
Reversal of provision for decommissioning costs	(7,753)	-
Expected credit loss on financial investments	(589)	-
Operating cash flows before changes in working capital	545,835	557,367
Changes in:		
Inventories	(10,798)	22,095
Contract assets	(51,293)	-
Contract liabilities	64,886	-
Trade and insurance receivables, prepayments and due from related parties	(98,079)	102,942
Trade and insurance payables, accruals and due to related parties	(149,941)	(99,878)
Cash generated from operations	300,610	582,526
Payment of employees' end of service benefits	(12,228)	(7,814)
Net cash generated from operating activities	288,382	574,712
INVESTING ACTIVITIES:		
Acquisition of financial investments	(166,878)	(18,091)
Interest income received	18,009	10,326
Proceeds from disposal and maturity of financial assets	182,878	76,347
Proceeds from disposal of property and equipment	498	4,984
Net movement in cash at banks – restricted for dividend	6,828	1,099
Purchase of property and equipment	(168,364)	(276,550)
Movement in restricted funds	34,616	-
Investment in associates	-	(417)
Net cash used in investing activities	(92,413)	(202,302)
FINANCING ACTIVITIES:		
Proceeds from loans and borrowings	631,240	502,415
Repayment of loans and borrowings	(676,604)	(767,389)
Dividends paid	(6,828)	(186,940)
Finance costs paid	(167,380)	(124,607)
Net cash used in financing activities	(219,572)	(576,521)
Net decrease in cash and cash equivalents	(23,603)	(204,111)
Cash and cash equivalents at beginning of period	821,755	1,235,514
*Cash and cash equivalents at the end of the period	798,152	1,031,403

* Cash and cash equivalents excludes the unclaimed dividend amounts.