



**VODAFONE QATAR Q.S.C.**

**FINANCIAL STATEMENTS  
AND INDEPENDENT AUDITOR'S REPORT**

**FOR THE YEAR ENDED  
31 MARCH 2013**

**VODAFONE QATAR Q.S.C.**

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**FOR THE YEAR ENDED 31 MARCH 2013**

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QR. 99-8

## INDEPENDENT AUDITORS' REPORT

**To The Shareholders  
Vodafone Qatar Q.S.C.**

### **Report on the financial statements**

We have audited the accompanying financial statements of Vodafone Qatar Q.S.C. (the "Company"), which comprise the statement of financial position as at 31 March 2013 and the statements of income, comprehensive income, changes in equity and cash flows for the year then ended and a summary of significant accounting policies and other explanatory information.

#### *Management's responsibility for the financial statements*

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

#### *Auditor's responsibility*

Our responsibility is to express an opinion on these 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 financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the 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 financial statements.

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

## **INDEPENDENT AUDITORS' REPORT (CONTINUED)**

### *Opinion*

In our opinion, the financial statements presents fairly, in all material respects, the financial position of Vodafone Qatar Q.S.C. as at 31 March 2013, and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards.

### **Other legal and regulatory requirements**

Furthermore, in our opinion the Company has maintained proper books of account, the verification of physical inventory has been duly carried out and the contents of the directors' report are in agreement with the financial statements. We have obtained all the information and explanations which we considered necessary for the purpose of our audit. To the best of our knowledge and belief and according to the information given to us, no contraventions of the Commercial Companies Law or the Company's Articles of Association were committed during the year which would materially affect the Company's activities or its financial position.

For Deloitte & Touche



**Midhat Salha**  
**Licence No. 257**

**Doha – Qatar**  
**03 June 2013**

	Notes	Year ended 31 March	
		2013 QR'000	2012 QR'000
Revenue	5	1,526,618	1,221,724
Direct costs		(689,421)	(560,743)
Other expenses	6	(553,228)	(516,914)
<b>Earnings before interest, tax, depreciation and amortisation</b>		<b>283,969</b>	<b>144,067</b>
Depreciation	10	(254,719)	(196,639)
Amortisation	11	(403,886)	(403,840)
Interest income		494	662
Financing costs	7	(26,577)	(30,236)
<b>Loss before taxation</b>		<b>(400,719)</b>	<b>(485,986)</b>
Income tax expense	8	-	-
<b>Loss for the year</b>		<b>(400,719)</b>	<b>(485,986)</b>
<b>Basic and diluted loss per share (in QR per share)</b>	9	<b>(0.47)</b>	<b>(0.57)</b>

The accompanying notes 1 to 26 form an integral part of these financial statements.

**VODAFONE QATAR Q.S.C.****STATEMENT OF COMPREHENSIVE INCOME**  
For the year ended 31 March 2013

	Note	Year ended 31 March	
		2013	2012
		QR'000	QR'000
Loss for the year		(400,719)	(485,986)
<b>Other comprehensive loss</b>			
Net movement in fair value of cash flow hedges during the year	17	(1,073)	(18,711)
<b>Total comprehensive loss for the year</b>		<u>(401,792)</u>	<u>(504,697)</u>

The accompanying notes 1 to 26 form an integral part of these financial statements.

**VODAFONE QATAR Q.S.C.****STATEMENT OF FINANCIAL POSITION**  
As at 31 March 2013

	Notes	31 March 2013 QR'000	31 March 2012 QR'000
<b>Non-current assets</b>			
Property, plant and equipment	10	1,482,299	1,363,974
Intangible assets	11	6,167,056	6,550,258
Trade and other receivables	12	10,598	6,940
<b>Total non-current assets</b>		<b>7,659,953</b>	<b>7,921,172</b>
<b>Current assets</b>			
Inventories	13	16,623	11,895
Trade and other receivables	12	217,558	171,339
Cash and cash equivalents	14	161,549	100,338
<b>Total current assets</b>		<b>395,730</b>	<b>283,572</b>
<b>Total assets</b>		<b>8,055,683</b>	<b>8,204,744</b>
<b>Equity</b>			
Share capital	15	8,454,000	8,454,000
Legal reserve	16	11,543	11,442
Hedging reserve	17	-	1,073
Accumulated losses		(2,293,834)	(1,893,014)
<b>Total equity</b>		<b>6,171,709</b>	<b>6,573,501</b>
<b>Non-current liabilities</b>			
Employees' end of service benefits		10,666	8,233
Trade and other payables	18	54,564	10,939
Long term borrowings	19	1,159,611	1,037,266
<b>Total non-current liabilities</b>		<b>1,224,841</b>	<b>1,056,438</b>
<b>Current liability</b>			
Trade and other payables	18	659,133	574,805
<b>Total current liability</b>		<b>659,133</b>	<b>574,805</b>
<b>Total liabilities</b>		<b>1,883,974</b>	<b>1,631,243</b>
<b>Total equity and liabilities</b>		<b>8,055,683</b>	<b>8,204,744</b>

The financial statements were approved by the Board of Directors on 3 June 2013 and were signed on its behalf by:



Abdulla bin Nasser Al-Misnad  
Vice-Chairman



Richard Paul Daly  
Chief Executive Officer



Stephen Charles Walters  
Chief Financial Officer

The accompanying notes 1 to 26 form an integral part of these financial statements.



# **VODAFONE QATAR Q.S.C.**

STATEMENT OF CHANGES IN EQUITY  
For the year ended 31 March 2013



	Share capital	Legal reserve	Hedging reserve	Accumulated losses	Total equity
	QR '000				
Balance at 1 April 2011	8,454,000	11,442	19,784	(1,407,028)	7,078,198
Total comprehensive loss for the year					
Loss for the year	-	-	-	(485,986)	(485,986)
<i>Other comprehensive income:</i>					
Net movement in fair value of cash flow hedges	-	-	(18,711)	-	(18,711)
Total comprehensive loss for the year	-	-	(18,711)	(485,986)	(504,697)
Balance at 31 March 2012	8,454,000	11,442	1,073	(1,893,014)	6,573,501
<b>Balance at 1 April 2012</b>	<b>8,454,000</b>	<b>11,442</b>	<b>1,073</b>	<b>(1,893,014)</b>	<b>6,573,501</b>
Total comprehensive loss for the year					
Loss for the year	-	-	-	(400,719)	(400,719)
<i>Other comprehensive income:</i>					
Net movement in fair value of cash flow hedges	-	-	(1,073)	-	(1,073)
Total comprehensive loss for the year	-	-	(1,073)	(400,719)	(401,792)
Transfer to legal reserve (note 16)	-	101	-	(101)	-
<b>Balance at 31 March 2013</b>	<b>8,454,000</b>	<b>11,543</b>	<b>-</b>	<b>(2,293,834)</b>	<b>6,171,709</b>

The accompanying notes 1 to 26 form an integral part of these financial statements.



**VODAFONE QATAR Q.S.C.****STATEMENT OF CASH FLOWS**  
For the year ended 31 March 2013

	<b>Note</b>	<b>Year ended 31 March</b>	
		<b>2013</b> <b>QR'000</b>	<b>2012</b> <b>QR'000</b>
<b>Net cash flows generated from / (used in) operating activities</b>	<b>20</b>	<b>326,779</b>	<b>(19,573)</b>
<b>Cash flows used in investing activities</b>			
Purchase of property, plant and equipment		(362,022)	(245,921)
Interest received		494	662
<b>Net cash flows used in investing activities</b>		<b>(361,528)</b>	<b>(245,259)</b>
<b>Cash flows from financing activities</b>			
Proceeds from long term borrowings		95,960	281,909
<b>Net cash flows from financing activities</b>		<b>95,960</b>	<b>281,909</b>
<b>Net increase in cash and cash equivalents</b>		<b>61,211</b>	<b>17,077</b>
Cash and cash equivalents at the beginning of the year		100,338	83,261
<b>Cash and cash equivalents at the end of the year</b>	<b>14</b>	<b>161,549</b>	<b>100,338</b>

The accompanying notes 1 to 26 form an integral part of these financial statements.

**1 INCORPORATION AND PRINCIPAL ACTIVITIES**

Vodafone Qatar Q.S.C (“the Company”) is registered as a Qatari Shareholding Company for a twenty-five year period (which may be extended by a resolution passed at a General Assembly) under article 68 of the Commercial Companies Law Number 5 of 2002. The Company was registered with the Commercial Register of the Ministry of Business and Trade on 23 June 2008 under Commercial Registration No: 39656. The shares of the Company are listed in Qatar Exchange.

The Company is licensed by the Supreme Council of Information and Communication Technology (ictQATAR) to provide both fixed and mobile telecommunications services in the state of Qatar. The conduct and activities of the Company are regulated by ictQATAR pursuant to Law No. 34 of 2006 (Telecommunications Law) and the Applicable Regulatory Framework.

The Company is engaged in providing cellular mobile telecommunication services, fixed line services and selling mobile related equipment and accessories. The Company’s head office is located in Doha, State of Qatar and its registered address is P.O. Box 27727, Qatar Science and Technology Park, Doha, State of Qatar.

**2 BASIS OF PREPARATION****Statement of compliance**

The financial statements are prepared in accordance with International Financial Reporting Standards (IFRSs) as issued by the International Accounting Standards Board (IASB).

**Accounting convention**

The financial statements are prepared on a historical cost basis, except for derivative financial instruments which are measured at fair value.

**Functional and presentation currency**

These financial statements are presented in Qatari Riyals, which is the Company’s functional and presentation currency. All the financial information presented in Qatari Riyals has been rounded off to the nearest thousand (QR’000) unless indicated otherwise.

**Use of estimates and judgments**

The preparation of financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and reported amounts of revenue and expenses during the reporting year. For a discussion on the Company’s critical accounting estimates see “Critical Accounting Estimates” under note 24. Actual results could differ from those estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

**3 SIGNIFICANT ACCOUNTING POLICIES**

The following accounting policies are consistently applied in the preparation of the financial statements:

**Revenue**

Revenue is recognised to the extent the Company has delivered goods or rendered services under an agreement, the amount of revenue can be measured reliably and it is probable that the economic benefits associated with the transaction will flow to the Company. Revenue is measured at the fair value of the consideration received, exclusive of discounts.

The Company principally obtains revenue from providing the following telecommunication services: access charges, airtime usage, messaging, interconnect fees, data broadband services and information provision, connection fees and equipment sales. Products and services may be sold separately or in bundled packages.



### 3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### Revenue (continued)

Revenue from access charges, airtime usage and messaging by contract customers is recognised as revenue as services are performed, with unbilled revenue resulting from services already provided accrued at the end of each period and unearned revenue from services to be provided in future periods deferred. Revenue from the sale of prepaid credit is deferred until such time as the customer uses the airtime, or the credit expires.

Revenue from interconnect fees is recognised at the time the services are performed. Revenue from data services and information provision is recognised when the Company has performed the related service and, depending on the nature of the service, is recognised either at the gross amount billed to the customer or the amount receivable by the Company as commission for facilitating the service.

Revenue from selling the right to use preferred numbers is recognised over the expected useful life of the customer. Revenue from money transfer transactions is recognised when earned, upon the transfer of funds.

Customer connection revenue is recognised together with the related equipment revenue to the extent that the aggregate equipment and connection revenue does not exceed the fair value of the equipment delivered to the customer. Any customer connection revenue is deferred and recognised over the period in which services are expected to be provided to the customer.

Revenue for device sales is recognised when the device is delivered to the end customer or to an intermediary when the significant risks associated with the device are transferred.

In revenue arrangements including more than one deliverable, the arrangements are divided into separate units of accounting. Deliverables are considered separate units of accounting if the following two conditions are met: (1) the deliverable has value to the customer on a stand-alone basis and (2) there is evidence of the fair value of the item. The arrangement consideration is allocated to each separate unit of accounting based on its relative fair value.

#### Interconnection costs

Costs of network interconnection with other domestic and international telecommunications carriers are recognised as a direct cost in the statement of income based on the actual recorded traffic minutes.

#### Commissions and dealer charges

Intermediaries are given cash incentives by the Company to connect new customers and upgrade existing customers, and distribute recharge cards. These cash incentives are recognised as direct costs on an accrual basis.

#### Regulatory fees

The annual license fee and spectrum charges are accrued as direct costs based on the terms of the License Fee Agreement and relevant applicable regulatory framework issued by ictQATAR.

#### Operating leases

Rentals payable under operating leases are charged to statement of income on a straight line basis over the term of the relevant lease.

#### Foreign currencies

Transactions in foreign currencies are initially recorded by the Company at the currency rate prevailing at the date of the transaction. Any differences on settlement of the transaction are immediately recognised in the statement of income.

Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency spot rate of exchange ruling at the end of the reporting period. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of income.

**3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)****Borrowing costs**

The borrowing costs incurred on qualifying assets are capitalised being part of cost of construction. All other borrowing costs are recognised on an accrual basis in profit or loss as finance costs during the year in which they arise.

**Income tax**

Corporate income tax is levied on companies that are not wholly owned by Qataris or any GCC nationals, based on the net profit of the company. The Company is listed on the Qatar Exchange and hence is not subject to income tax.

**Property, plant and equipment***Recognition and measurement*

Furniture, fixtures and fittings and equipment which include network infrastructure assets are stated at cost less accumulated depreciation and any accumulated impairment losses. Assets in the course of construction are carried at cost, less any recognised impairment losses.

The cost of property, plant and equipment includes directly attributable incremental costs incurred in their acquisition and installation. The costs of self-constructed assets include the cost of materials and direct labour, any other costs directly attributable to bringing the assets to a working condition for their intended use, capitalised borrowing costs and estimated discounted costs for dismantling and restoration of the sites, where the Company has an obligation to restore the sites.

*Depreciation*

Depreciation of these assets commences when the assets are ready for their intended use. Depreciation is charged so as to write off the cost of assets, other than assets under construction, over their estimated useful lives using the straight line method as follows:

Leasehold improvements	During the period of the lease
Network infrastructure	4 - 25 years
Other equipment	1 - 5 years
Furniture and fixtures	4 - 8 years
Others	3 - 5 years

The gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the statement of income.

**Intangible assets**

Identifiable intangible assets are recognised when the Company controls the asset, it is probable that future economic benefits will flow to the Company and the cost of the asset can be reliably measured. Intangible assets include license and spectrum fees and indefeasible rights of use (IRU's).

*License fees*

Licence and spectrum fees are stated at cost less accumulated amortisation. The amortisation period is determined primarily by reference to the unexpired licence period, the conditions for the licence renewal and whether licences are dependent on specific technologies. Amortisation is charged to the statement of income on a straight-line basis over the estimated useful lives from the commencement of service of the network. The estimated useful lives of the mobile and fixed line licenses are 20 years and 25 years respectively.



**3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)****Intangible assets (continued)***Indefeasible rights of use ("IRU")*

IRUs correspond to the right to use a portion of the capacity of a terrestrial or submarine transmission cable granted for a fixed period. IRUs are recognised at cost as an asset when the Company has the specific indefeasible right to use an identified portion of the underlying asset, generally optical fibres or dedicated wavelength bandwidth, and the duration of the right is for the major part of the underlying asset's economic life, for which full costs are paid up front. IRU's are considered as intangible assets with finite lives.

*Finite lived intangible assets*

Intangible assets with finite lives are stated at acquisition or development cost, less accumulated amortisation. The amortisation period and method is reviewed at least annually. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in statement of income in the expense category consistent with the function of the intangible asset.

**Impairment of assets***Property, plant and equipment and finite lived intangible assets*

At each end of reporting period date, the Company reviews the carrying amounts of its property, plant and equipment and finite lived intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent, if any, of the impairment loss. Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

If the recoverable amount of an asset or cash-generating unit is estimated to be less than its carrying amount, the carrying amount of the asset or cash-generating unit is reduced to its recoverable amount. An impairment loss is recognised immediately in the statement of income.

Where an impairment loss subsequently reverses, the carrying amount of the asset or cash-generating unit is increased to the revised estimate of its recoverable amount, not to exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset or cash-generating unit in prior periods. A reversal of an impairment loss is recognised immediately in the statement of income.

**Inventories**

Inventory is stated at the lower of cost and net realisable value. Cost is determined on the basis of weighted average cost and comprises direct materials and, where applicable, direct labour cost and those overheads that have been incurred in bringing the inventories to their present location and condition.

**Employees' end of service benefits**

The Company provides end of service benefits to its employees. 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, calculated under the provisions of Qatar Labour Law and is payable upon resignation or termination of the employee. The expected costs of these benefits are accrued over the period of employment.

### 3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### **Provisions**

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

#### **Non-derivative financial instruments**

Financial assets and financial liabilities, in respect of financial instruments, are recognised on the Company's statement of financial position when the Company becomes a party to the contractual provisions of the instrument.

#### **Financial assets**

Financial assets recognised by the Company include:

##### *Trade receivables*

Trade receivables do not carry any interest and are stated at their nominal value as reduced by appropriate allowances for estimated irrecoverable amounts. Estimated irrecoverable amounts are based on the ageing of the receivable balances and historical experience. Individual trade receivables are written off when management deems them not to be collectible.

##### *Cash and cash equivalents*

Cash and cash equivalents comprise cash on hand and call deposits and other short term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

##### *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 derecognised where:

- the contractual rights to receive cash flows from the asset have expired;
- the Company retains the right to receive cash flows from the asset, but has assumed an obligation to pay them in full without material delay to a third party under a 'pass-through' arrangement; or
- the Company has transferred its rights to receive cash flows from the asset and either (a) has transferred substantially all the risks and rewards of the asset, or (b) has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

#### **Financial liabilities and equity instruments**

Financial liabilities and equity instruments issued by the Company are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument. An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities and includes no obligation to deliver cash or other financial assets. The accounting policies adopted for specific financial liabilities and equity instruments are set out below.



### 3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### **Non-derivative financial instruments (continued)**

##### *Trade payables*

Trade payables are not interest bearing and are stated at their nominal value.

##### *Long term borrowings*

Interest bearing loans and overdrafts are initially measured at fair value (which is equal to cost at inception), and are subsequently measured at amortised cost, using the effective interest rate method, except where they are identified as a hedged item in a fair value hedge. Any difference between the proceeds net of transaction costs and the settlement or redemption of borrowings is recognised over the term of the borrowing.

##### *Equity instruments*

Equity instruments issued by the Company are recorded at the proceeds received, net of direct issuance costs.

##### *Derecognition of financial liabilities*

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. Where 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 a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in the statement of income.

#### **Derivative financial instruments and hedge accounting**

The Company's activities expose it to the financial risks of changes in foreign exchange rates and interest rates. The use of financial derivatives is governed by the Company's policies approved by the Board of directors, which provide written principles on the use of financial derivatives consistent with the Company's risk management strategy. The Company does not use derivative financial instruments for speculative purposes. Derivative financial instruments are initially measured at fair value on the contract date and are subsequently remeasured to fair value at each reporting date. The Company designates certain derivatives as either:

- hedges of the change of fair value of recognised assets and liabilities ('fair value hedges'); or
- cash flow hedges

##### *Fair value hedges*

Fair value hedges are used while hedging the exposure to changes in the fair value of a recognised asset or liability or unrecognised firm commitment. The change in the fair value of a hedging derivative is recognised in the statement of income. The change in the fair value of the hedged item attributable to the risk hedged is recorded as a part of the carrying value of the hedged item and is also recognised in statement of income.

##### *Cash flow hedges*

Cash flow hedging is used by the Company to hedge certain exposures to variability in future cash flows. The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in other comprehensive income and accumulated under the heading of hedging reserve. The gain or loss relating to the ineffective portion is recognised immediately in statement of income. Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, or exercised, or no longer qualifies for hedge accounting, or the Company chooses to end the hedging relationship.

### **3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

#### **Financial instruments (continued)**

##### **Impairment of financial assets**

Financial assets, other than those at fair value through profit and loss, are assessed for indicators of impairment at reporting date. Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been impacted.

For trade receivables, objective evidence of impairment could include: (i) significant financial difficulty of the issuer or counterparty; (ii) default or delinquency in interest or principal payments; or (iii) it is becoming probable that the borrower will enter bankruptcy or financial re-organisation.

For certain categories of financial assets, such as trade receivables, assets that are assessed not to be impaired individually are subsequently assessed for impairment on a collective basis. Objective evidence of impairment for a portfolio of receivables could include the Company's past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period, as well as observable changes in national or local economic conditions that correlate with default on receivables.

For financial assets carried at amortised cost, the amount of the impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

### **4. SEGMENT REPORTING**

The Company only operates in Qatar and is therefore viewed to operate in one geographical area. Management also views that its mobile business is the main operating segment of the Company. Fixed line and money transfer services are reported in the same operating segment as they are currently immaterial to the overall business.

**5 REVENUE**

	Year ended 31 March	
	2013 QR'000	2012 QR'000
Revenue from sale of goods and services	1,520,716	1,177,251
Other revenue	5,902	44,473
	<u>1,526,618</u>	<u>1,221,724</u>

**6 OTHER EXPENSES**

	Year ended 31 March	
	2013 QR'000	2012 QR'000
Employee benefits expense	165,166	164,716
Operating lease rentals	119,533	115,582
Other expenses	268,529	236,616
	<u>553,228</u>	<u>516,914</u>

**7 FINANCING COSTS**

	Year ended 31 March	
	2013 QR'000	2012 QR'000
Interest on long term borrowings	23,431	27,640
Others	3,146	2,596
	<u>26,577</u>	<u>30,236</u>

**8 INCOME TAX EXPENSE**

	Year ended 31 March	
	2013 QR'000	2012 QR'000
Income tax expense	-	-

Corporate income tax is levied on companies that are not wholly owned by Qatari citizens or GCC nationals, based on the net profit of the Company.

Deferred tax assets have not been recognised on the basis that the Company has a five year tax holiday following its incorporation and is exempt from paying income tax under its listed company status.



**9 BASIC AND DILUTED LOSS PER SHARE**

	<b>31 March 2013</b>	<b>31 March 2012</b>
Loss for the year (QR '000)	<b>(400,719)</b>	<b>(485,986)</b>
Weighted average number of shares (in thousands)	<b>845,400</b>	<b>845,400</b>
Basic and diluted loss per share (QR)	<b>(0.47)</b>	<b>(0.57)</b>

There is no dilutive element and basic and diluted shares are the same.

**10 PROPERTY, PLANT AND EQUIPMENT**

	<b>IT, furniture, fixtures and fittings QR'000</b>	<b>Network, plant and equipment QR'000</b>	<b>Total QR'000</b>
<b>Cost:</b>			
At 1 April 2011	405,352	982,452	1,387,804
Additions	180,754	218,658	399,412
At 31 March 2012	586,106	1,201,110	1,787,216
Additions	224,453	154,212	378,665
De-recognition	(7,156)	(2,794)	(9,950)
<b>At 31 March 2013</b>	<b>803,403</b>	<b>1,352,528</b>	<b>2,155,931</b>
<b>Accumulated Depreciation:</b>			
At 1 April 2011	101,214	125,389	226,603
Charge for the year	87,556	109,083	196,639
At 31 March 2012	188,770	234,472	423,242
Charge for the year	117,949	136,770	254,719
De-recognition	(3,458)	(871)	(4,329)
<b>At 31 March 2013</b>	<b>303,261</b>	<b>370,371</b>	<b>673,632</b>
<b>Net book value:</b>			
<b>At 31 March 2013</b>	<b>500,142</b>	<b>982,157</b>	<b>1,482,299</b>
At 31 March 2012	397,336	966,638	1,363,974

The net book value of property, plant and equipment includes assets in the course of construction, which are not depreciated. These amount to QR 180.3 million (2012: QR 146 million). Total capitalised borrowing costs amounted to QR 2.9 million during the year (2012: Nil).

**11 INTANGIBLE ASSETS**

	<b>License fee</b>	<b>Indefeasible</b>	<b>Total</b>
	<b>QR'000</b>	<b>right to use</b>	<b>QR'000</b>
		<b>QR'000</b>	<b>QR'000</b>
<b>Cost:</b>			
At 1 April 2011	7,726,000	-	7,726,000
Additions	-	-	-
At 31 March 2012	7,726,000	-	7,726,000
Additions	-	20,684	20,684
<b>At 31 March 2013</b>	<b>7,726,000</b>	<b>20,684</b>	<b>7,746,684</b>
<b>Accumulated amortisation:</b>			
At 1 April 2011	771,902	-	771,902
Charge for the year	403,840	-	403,840
At 31 March 2012	1,175,742	-	1,175,742
Charge for the year	402,737	1,149	403,886
<b>At 31 March 2013</b>	<b>1,578,479</b>	<b>1,149</b>	<b>1,579,628</b>
<b>Net book value:</b>			
<b>At 31 March 2013</b>	<b>6,147,521</b>	<b>19,535</b>	<b>6,167,056</b>
At 31 March 2012	6,550,258	-	6,550,258

**12 TRADE AND OTHER RECEIVABLES**

	<b>31 March</b>	<b>31 March</b>
	<b>2013</b>	<b>2012</b>
	<b>QR'000</b>	<b>QR'000</b>
<b>Non-current assets:</b>		
Prepayments	10,598	6,940
<b>Current assets:</b>		
Trade receivables – net	138,140	128,998
Prepayments	24,970	29,599
Due from related parties (note 21)	16,149	1,201
Accrued revenue receivables	4,113	-
Other receivables	34,186	11,541
	<b>217,558</b>	<b>171,339</b>

Trade receivables include provision for impairment amounting to QR 32.6 million (2012: QR 22.0 million), for which details are provided in note 22.

**13 INVENTORIES**

	<b>31 March</b>	<b>31 March</b>
	<b>2013</b>	<b>2012</b>
	<b>QR'000</b>	<b>QR'000</b>
Goods held for resale	16,623	11,895

**13 INVENTORIES**

Inventory is reported net of allowance for obsolescence, an analysis of which is as follows:

	<b>31 March 2013</b>	31 March 2012
	<b>QR'000</b>	QR'000
At 1 April	2,761	3,625
Amounts charged/(released) to statement of income	753	(864)
At 31 March	<u>3,514</u>	<u>2,761</u>

**14 CASH AND CASH EQUIVALENTS**

Cash and cash equivalents at the end of the financial year as shown in the statement of cash flows are as follows:

	<b>31 March 2013</b>	31 March 2012
	<b>QR'000</b>	QR'000
Cash at bank and on hand	<u>161,549</u>	<u>100,338</u>

**15 SHARE CAPITAL**

	<b>31 March 2013</b>		<b>31 March 2012</b>	
	<b>Number</b>	<b>QR'000</b>	Number	QR'000
<b>Ordinary shares authorised, allotted, issued and fully paid:</b>				
Ordinary shares of QAR 10 each	<u>845,400,000</u>	<u>8,454,000</u>	<u>845,400,000</u>	<u>8,454,000</u>

**16 LEGAL RESERVE**

The excess of issuance fees collected over the issuance cost during the initial public offering of the ordinary shares has been transferred to the legal reserve as required by Article 154 of Qatar Commercial Companies Law No. 5 of 2002. Further as per Article 69(a) of the Articles of Association of the Company 5% of the distributable profits are to be transferred to legal reserve annually.

*Distributable profits:*

As per Article 69 of the Articles of Association of the Company distributable profits are defined as the net profit/loss for the financial year plus amortisation of license fees for the year.

	<b>31 March 2013</b>	31 March 2012
	<b>QR'000</b>	QR'000
Net loss for the year	(400,719)	(485,986)
Amortisation of license costs	402,737	403,840
Distributable profits / (losses)	<u>2,018</u>	<u>(82,146)</u>
Transfer to legal reserve	<u>101</u>	<u>-</u>

**17 CASH FLOW HEDGES**

Under the Company's foreign exchange risk management policy, the Company hedges foreign exchange risk in external transactions by using the forward foreign exchange market.

During the year, the Company entered into a number of forward foreign exchange contracts. The fair value change in the statement of comprehensive income represents the difference between the fair value of the foreign exchange forwards at contract date and at the reporting date. There were no outstanding contracts as at 31 March 2013 (2012: contracts with notional amount of QR 16.5 million).



**18 TRADE AND OTHER PAYABLES**

	<b>31 March 2013</b>	<b>31 March 2012</b>
	<b>QR'000</b>	<b>QR'000</b>
<b>Non-current liabilities:</b>		
Asset retirement obligations (note 18.1)	17,678	10,939
Other payables	36,886	-
	<b>54,564</b>	<b>10,939</b>
<b>Current liabilities:</b>		
Trade payables	200,140	91,726
Accruals and deferred income	412,233	398,841
Other payables	111	-
Due to related parties (note 21)	46,649	84,238
	<b>659,133</b>	<b>574,805</b>

**(18.1) Asset retirement obligations**

	<b>31 March 2013</b>	<b>31 March 2012</b>
	<b>QR'000</b>	<b>QR'000</b>
At 1 April	10,939	8,604
Addition of sites during the year	4,513	-
Amounts charged to income statement	2,226	2,335
<b>At 31 March</b>	<b>17,678</b>	<b>10,939</b>

In the course of the Company's activities, a number of sites and other assets are utilised which are expected to have costs associated with exiting and ceasing their use. The associated cash outflows are generally expected to occur at the dates of exit of the assets to which they relate, which are long term in nature.

**19 LONG TERM BORROWINGS**

	<b>31 March 2013</b>	<b>31 March 2012</b>
	<b>QR'000</b>	<b>QR'000</b>
Loan from Vodafone Investment SARL	1,159,611	1,037,266

The Company has a first credit facility of USD \$110 million (QR 400.4 million) from Vodafone Investments Luxembourg SARL. The loan of USD \$110 million bears interest at a variable rate, and is repayable on 8 March 2019. The Company has drawn down USD \$108.5 million (QR 394.9 million) from this facility as at 31 March 2013.

The Company's second revolving credit facility of USD \$120 million (QR 436.8 million) was also obtained from Vodafone Investments Luxembourg SARL. The loan bears interest at a variable rate, and is repayable on 3 May 2014. The Company has drawn down USD \$116.4 million (QR 423.6 million) from this facility as at 31 March 2013.

The Company obtained a third revolving credit facility of USD \$100 million (QR 364 million) from Vodafone Investments Luxembourg SARL during July 2011. The loan bears interest at a variable rate, and is repayable on 1 June 2018. The Company has drawn down USD \$93.6 million (QR 340.7 million) from this facility as at 31 March 2013.

The long term borrowings bear an average interest rate of 1.55% annually (2012: 1.57%).

**20 RECONCILIATION OF NET CASH FLOWS USED IN OPERATING ACTIVITIES**

	Year end 31 March	
	2013 QR'000	2012 QR'000
Net loss for the year	(400,719)	(485,986)
Adjustments for:		
Depreciation and amortisation	658,605	600,479
Finance costs	26,577	30,236
Interest income	(494)	(662)
Increase in inventories	(4,728)	(399)
Increase/(decrease) in trade and other debit balances	(45,663)	8,992
Increase/(decrease) in trade and other payables	54,467	(178,095)
Increase in employees' end of service benefits	2,433	3,526
Increase in provisions	36,301	2,336
<b>Net cash flow from / (used in) operating activities</b>	<b>326,779</b>	<b>(19,573)</b>

**21 RELATED PARTY TRANSACTIONS**

Related parties represent the shareholders, directors and key management personnel of the Company and companies controlled, jointly controlled or significantly influenced by those parties.

The following transactions were carried out with related parties:

	31 March 2013 QR'000	31 March 2012 QR'000
<b><i>Sales of goods and services</i></b>		
Vodafone Group Plc controlled entities	3,730	3,111
<b><i>Purchases of goods and services</i></b>		
Vodafone Group Plc controlled entities	64,969	76,025
<b><i>Interest on long term borrowing</i></b>		
Vodafone Group Plc controlled entities	26,285	27,640

Goods and services are bought from related parties at prices approved by management. Balances arising from sales/purchases of goods/services:

	31 March 2013 QR'000	31 March 2012 QR'000
<b><i>Receivables from related parties:</i></b>		
Vodafone Group Plc controlled entities	16,149	1,201
<b><i>Payables to related parties:</i></b>		
Vodafone Group Plc controlled entities	46,649	84,238
<b><i>Loan from a related party:</i></b>		
Loan from Vodafone Investment SARL	1,159,611	1,037,266

**21 RELATED PARTY TRANSACTIONS (CONTINUED)**

The receivables from related parties arise mainly from sale transactions which are unsecured in nature and bear no interest. The payables to related parties arise mainly from purchase transactions and bear no interest. Loans from related parties bear interest at variable rates.

	<b>31 March 2013</b>	<b>31 March 2012</b>
	<b>QR'000</b>	<b>QR'000</b>
<i><b>Compensation of key management personnel</b></i>		
Salaries and short-term benefits	<b>18,331</b>	12,417
Employees' end of service benefits	<b>881</b>	619
	<b>19,212</b>	<b>13,036</b>

**22 FINANCIAL INSTRUMENTS AND RISK MANAGEMENT****Capital risk management**

The following table summarises the capital structure of the Company:

	<b>31 March 2013</b>	<b>31 March 2012</b>
	<b>QR'000</b>	<b>QR'000</b>
Cash and cash equivalents	<b>(161,549)</b>	(100,338)
Borrowings	<b>1,159,611</b>	1,037,266
<b>Net debt</b>	<b>998,062</b>	936,928
<b>Total equity</b>	<b>6,171,709</b>	6,573,501
<b>Gearing ratio</b>	<b>16.2%</b>	14.3%

The Company manages its capital to ensure that it will be able to continue as a going concern while maximising the return to shareholders through the optimisation of the debt and equity balance.

The Company's policy is to borrow long term facilities from its related parties to meet anticipated funding requirements.

**Categories of financial instruments**

	<b>31 March 2013</b>	<b>31 March 2012</b>
	<b>QR'000</b>	<b>QR'000</b>
<b>Financial assets</b>		
Cash and cash equivalents	<b>161,549</b>	100,338
Trade and other receivables	<b>203,186</b>	148,680
<b>Financial liabilities</b>		
Trade and other payables	<b>713,697</b>	585,744
Long term borrowings	<b>1,159,611</b>	1,037,266

**Foreign currency risk management**

The Company undertakes certain transactions denominated in foreign currencies. Hence, exposures to exchange rate fluctuations arise. Exchange rate exposures are managed within approved policy parameters.

During the year the Company has entered into a number of foreign exchange contracts to hedge its exposure to currency fluctuations.



**22 FINANCIAL INSTRUMENTS AND RISK MANAGEMENT(CONTINUED)****Interest rate risk management**

Under the Company's interest rate management policy, interest rates on monetary assets and liabilities are maintained on a floating rate basis. For every one percent rise or fall in market interest rates in which the Company had borrowings at 31 March 2013 there would be an increase or reduction in the total loss for the financial year before tax of QR 11.6 million (2012: increase or reduction by QR 10.4 million).

**Credit risk management**

Credit risk refers to the risk that the counterparty will default on its contractual obligations resulting in financial loss to the Company. The Company's exposure and the creditworthiness of its counterparties are continuously monitored and the aggregate value of transactions concluded is spread amongst approved counterparties. Credit exposure is controlled by counterparty limits that are reviewed and approved by management annually.

The following table presents the movement in the provision for doubtful receivables:

	<b>31 March 2013</b>	<b>31 March 2012</b>
	<b>QR'000</b>	<b>QR'000</b>
At 1 April	21,992	20,911
Amounts charged to income statement	10,566	1,081
<b>At 31 March</b>	<b>32,558</b>	<b>21,992</b>

The following table presents ageing of receivables that are past due and are presented net of provisions for doubtful receivables that have been established:

	<b>31 March 2013</b>	<b>31 March 2012</b>
	<b>QR'000</b>	<b>QR'000</b>
31 – 60 days	16,143	4,372
61 – 90 days	7,010	3,261
Over 90 days	-	10,431
	<b>23,153</b>	<b>18,064</b>

*Exposure to credit risk*

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was:

	<b>Carrying amount</b>	
	<b>31 March 2013</b>	<b>31 March 2012</b>
	<b>QR'000</b>	<b>QR'000</b>
Cash and cash equivalents	161,549	100,338
Trade and other debit balances	228,156	178,279
	<b>389,705</b>	<b>278,617</b>

**22 FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (CONTINUED)****Liquidity risk management**

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities. The Company has secured additional borrowing facilities from Vodafone Investments Luxembourg SARL which the Company has at its disposal to further reduce liquidity risk.

The table below analyses the Company's financial liabilities based on the remaining period at the reporting date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

	Less than 1 Year	More than 1 year
	QR'000	QR'000
<b>At 31 March 2013</b>		
Trade and other payables	659,133	54,564
Long term borrowings	-	1,159,611
<b>At 31 March 2012</b>		
Trade and other payables	574,805	10,939
Long term borrowings	-	1,037,266

**Fair value of financial instruments**

Fair value is not materially different from the carrying amount.

**23 COMMITMENTS AND CONTINGENT LIABILITIES****Commitments**Operating lease commitments

The Company has entered into commercial leases on certain properties, network infrastructure, motor vehicles, and items of equipment. The leases have various terms, escalation clauses, and renewal rights, none of which are individually significant to the Company. Future lease payments comprise:

	<b>31 March 2013 QR'000</b>	<b>31 March 2012 QR'000</b>
Within one year	120,406	102,111
In more than one year but less than two years	66,843	57,929
In more than two years but less than three years	62,837	54,072
In more than three years but less than four years	61,914	53,070
In more than four years but less than five years	60,625	52,719
In more than five years	447,469	389,290
	<b>820,094</b>	<b>709,191</b>

Capital commitments

	<b>31 March 2013 QR'000</b>	<b>31 March 2012 QR'000</b>
Contracts, placed for future capital expenditure not provided for in the financial statements	76,593	118,738

**Contingent liabilities**

	<b>31 March 2013 QR'000</b>	<b>31 March 2012 QR'000</b>
Performance bonds	24,569	20,000
Credit guarantees – third party indebtedness	900	900

Performance bonds

Performance bonds require the Company to make payments to third parties in the event that the Company does not perform what is expected of it under the terms of any related contracts.

Credit guarantees – third party indebtedness

Credit guarantees comprise guarantees and indemnity of bank or other facilities.



**24 CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY**

The Company prepares its financial statements in accordance with IFRS as issued by the International Accounting Standards Board, the application of which often requires judgements to be made by management when formulating the Company's financial position and results. Under IFRS, the directors are required to adopt those accounting policies most appropriate to the Company's circumstances for the purpose of presenting fairly the Company's financial position, financial performance and cash flows.

In determining and applying accounting policies, judgement is often required in respect of items where the choice of specific policy, accounting estimate or assumption to be followed could materially affect the reported results or net asset position of the Company should it later be determined that a different choice would be more appropriate.

Management considers the accounting estimates and assumptions discussed below to be its critical accounting estimates and, accordingly, provides an explanation of each, below. The discussion below should also be read in conjunction with the Company's disclosure of significant IFRS accounting policies, which is provided in note 3 to the financial statements.

**Impairment reviews**

IFRS requires management to undertake an annual test for impairment of indefinite lived assets and, for finite lived assets, to test for impairment if events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable.

Impairment testing is an area involving management judgement, requiring assessment as to whether the carrying value of assets can be supported by the net present value of future cash flows derived from such assets using cash flow projections which have been discounted at an appropriate rate. In calculating the net present value of the future cash flows, certain assumptions are required to be made in respect of highly uncertain matters, including management's expectations of:

- growth in earnings before interest, tax, depreciation and amortisation ("EBITDA"), calculated as adjusted operating profit before depreciation and amortisation;
- timing and quantum of future capital expenditure;
- long term growth rates; and
- the selection of discount rates to reflect the risks involved.

The Company prepares and Vodafone Group approves formal five year plans for its business and the Company uses these as the basis for its impairment reviews.

In estimating the value in use, the Company uses a discrete period of 5 years where a long term growth rate into perpetuity has been determined as the lower of:

- The nominal GDP rates for the country of operation; and
- The compound annual growth rate in EBITDA.

Changing the assumptions selected by management, in particular the discount rate and growth rate assumptions used in the cash flow projections, could significantly affect the Company's impairment evaluation and, hence, results. The discount rate used in the most recent value in use calculation in the year ended 31 March 2013 was 10.4% (2012: 9%) and the long-term growth rate was 5.3% (2012: 5.6%).

## 24 CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (CONTINUED)

### **Revenue presentation: gross versus net**

When deciding the most appropriate basis for presenting revenue and costs of revenue, both the legal form and substance of the agreement between the Company and its business partners are reviewed to determine each party's respective role in the transaction.

Where the Company's role in a transaction is that of principal, revenue is recognised on a gross basis. This requires revenue to comprise the gross value of the transaction billed to the customer, after trade discounts, with any related expenditure charged as an operating cost. Where the Company's role in a transaction is that of an agent, revenue is recognised on a net basis, with revenue representing the margin earned.

Revenue from selling the right to use preferred numbers is amortised over a two year period which represents the estimated useful life of the customer.

### **Estimation of useful life**

The useful life used to amortise intangible assets relates to the future performance of the assets acquired and management's judgement of the period over which economic benefit will be derived from the asset. The basis for determining the useful life for the most significant categories of intangible assets is as follows:

#### *Licences fees*

The estimated useful life is generally the term of the licence unless there is a presumption of renewal at negligible cost. Using the licence term reflects the period over which the Company will receive economic benefit. For technology specific licences with a presumption of renewal at negligible cost, the estimated useful economic life reflects the Company's expectation of the period over which the Company will continue to receive economic benefit from the licence. The economic lives are periodically reviewed taking into consideration such factors as changes in technology. Historically any changes to economic lives have not been material following these reviews.

### **Provision for receivables**

The Company has a bad debt provision against trade receivables based on management's assessment of customer's creditworthiness. The provision is adequate and comprises a specific provision and general provisions. General provisions include all high risk debt that has not been specifically evaluated and appropriate provisions against debt in other categories that has not been specifically evaluated.

### **Fair value of bundling**

The Company allocates the fair value of the voice, messaging and data services sold in handset bundles to service revenue using the strongest available evidence. Where a revenue arrangement includes more than one deliverable, such as the sale of a prepaid handset with free texts or an airtime contract with inclusive voice minutes and texts, the arrangement is divided into separate elements or units of accounting.

### **Property, plant and equipment**

Property, plant and equipment represent a significant proportion of the asset base of the Company being 18.4% (2012: 16.6%) of the Company's total assets. Therefore, the estimates and assumptions made to determine their carrying value and related depreciation are critical to the Company's financial position and performance.

#### *Estimation of useful life*

The charge in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. Increasing an asset's expected life or its residual value would result in a reduced depreciation charge in the statement of income.

The useful lives and residual values of the Company's assets are determined by management at the time the asset is acquired and reviewed annually for appropriateness. The lives are based on historical experience with similar assets as well as anticipation of future events, which may impact their life, such as changes in technology.



**25 ADOPTION OF NEW AND REVISED ACCOUNTING STANDARDS****25.1 Standards and Interpretations effective in the current period**

The following amendments to IFRSs were effective in the current year and have been applied in the preparation of these financial statements:

**(i) Revised Standards**

- IFRS 1 (Revised) *First time adoption of International Financial Reporting Standards*
  - Replacement of 'fixed dates' for certain exceptions with 'the date of transition to IFRSs'
  - Additional exemption for entities ceasing to suffer from severe hyperinflation
- IFRS 7 (Revised) *Financial Instruments Disclosures - Amendments enhancing disclosures about transfers of financial assets*
- IAS 12 (Revised) *Income Taxes - Limited scope amendment (recovery of underlying assets)*

The adoption of these revised standards had no significant effect on the financial statements of the Company for the year ended 31 March 2013.

**25.2 New and revised IFRSs in issue but not yet effective**

The Company has not applied the following new and revised IFRSs that have been issued but are not yet effective:

**(i) Revised Standards**

Effective for annual periods beginning on or after 1 July 2012 (Early adoption allowed)

- IAS 1 (Revised) *Presentation of Financial Statements - Amendments to revise the way other comprehensive income is presented*

Effective for annual periods beginning on or after 1 January 2013

- IFRS 7 (Revised) *Financial Instruments Disclosures - Amendments enhancing disclosures about offsetting of financial assets and financial liabilities*
- IAS 19 (Revised) *Employee Benefits - Amended Standard resulting from the Post-Employment Benefits and Termination Benefits projects*
- IAS 27 (Revised)\* *Consolidated and Separate Financial Statements ( Early adoption allowed) - Reissued as IAS 27 Separate Financial Statements*
- IAS 28 (Revised)\* *Investments in Associates ( Early adoption allowed) -Reissued as IAS 28 Investments in Associates and Joint Ventures*

Effective for annual periods beginning on or after 1 January 2015

- IFRS 7 (Revised) *Financial Instruments Disclosures - Amendments requiring disclosures about the initial application of IFRS 9*

**25 ADOPTION OF NEW AND REVISED ACCOUNTING STANDARDS (CONTINUED)****25.2 New and revised IFRSs in issue but not yet effective (continued)**

Effective for annual periods beginning on or after 1 January 2013 (Early adoption allowed)

- IFRS 10\* *Consolidated Financial Statements*
- IFRS 11\* *Joint Arrangements*
- IFRS 12\* *Disclosure of Interests in Other Entities*
- IFRS 13 *Fair Value Measurement*

Effective for annual periods beginning on or after 1 January 2015 (Early adoption allowed)

- IFRS 9 *Financial Instruments*  
- *Classification and measurement of financial assets*  
- *Accounting for financial liabilities and de-recognition*

**(ii) Revised Interpretations:**

- IFRIC 13 *Customer Loyalty Programmes - Amendments resulting from May 2010 Annual Improvements to IFRSs*
- IFRIC 14 *IAS 19 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction- November 2009 Amendments with respect to voluntary prepaid contributions*
- IFRIC 19 *Extinguishing Financial Liabilities with Equity Instruments*

**(iii) New Interpretation:**

Effective for annual periods beginning on or after 1 January 2013

- IFRIC 20 *Stripping Costs in the Production Phase of a Surface Mine*

\* In May 2011, a package of five Standards on consolidation, joint arrangements, associates and disclosures was issued, including IFRS 10, IFRS 11, IFRS 12, IAS 27 (as revised in 2011) and IAS 28 (as revised in 2011). These five standards are effective for annual periods beginning on or after 1 January 2013. Earlier application is permitted provided that all of these five standards are applied early at the same time.

Management anticipates that the adoption of these Standards and Interpretations in future periods will have no material financial impact on the financial statements of the Company.

**26 RECLASSIFICATION OF COMPARATIVE FIGURES**

Certain corresponding figures during comparative period have been reclassified where necessary, to preserve comparability with the current year presentation. However, these reclassifications do not have an impact on the net profits or total equity of the Company reported during the previous year.