ABU DHABI PORTS COMPANY PJSC

Reports and consolidated financial statements for the year ended 31 December 2022

ABU DHABI PORTS COMPANY PJSC

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Report of Board of Directors
for the year ended 31 December 2022

The Directors have the pleasure of submitting their report, together with the audited consolidated financial statements of Abu Dhabi Ports Company PJSC (the "Company") and its subsidiaries (together, referred to as, the "Group") for the year ended 31 December 2022.

Results for the year

During the year, the Group earned revenue of AED 5,497,836 thousand (2021: AED 3,909,663 thousand) and net profit for the year amounted to AED 1,284,413 thousand (2021: AED 853,344 thousand).

Accounts

The Directors have reviewed and approved the consolidated financial statements of the Group for the year ended 31 December 2022.

Directors

The Directors who served during the year and as of the reporting date is as follows:

H.E. Falah Mohammed Falah Jaber Al Ahbabi	Chairman
Mr. Khalifa Sultan Sultan Hazim Al Suwaidi	Vice Chairman
Mohamed Juma Al Shamisi	Managing Director and Group Chief Executive Officer
Mr. Jasim Husain Ahmed Thabet	Member
Mr. Mansour Mohamed Abdulqader Mohamed Al Mulla	Member
Ms. Najeeba Hassan Mubarak Khudaim Al Jabri	Member
Mr. Mohamed Ibrahim Mohamed Ibrahim Al Hammadi	Member

Release

The Directors release the external auditor and management from any liability in connection with their duties for the year ended 31 December 2022.

Auditor

The Directors propose the re-appointment of Deloitte & Touche (M.E.) as the external auditor of the Group for the financial year ending 31 December 2023.

On behalf of Board of Directors

Chairman
Abu Dhabi, UAE

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INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF ABU DHABI PORTS COMPANY PJSC

REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Opinion

We have audited the consolidated financial statements of Abu Dhabi Ports Company PJSC (the "Company") and its subsidiaries (together, the "Group"), which comprise the consolidated statement of financial position as at 31 December 2022 and the consolidated statement of profit or loss, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at 31 December 2022, and its consolidated financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards ('IFRSs').

Basis for Opinion

We have conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the consolidated financial statements section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' Codes of Ethics for Professional Accountants (IESBA Code) together with the other ethical requirements that are relevant to our audit of the Group's consolidated financial statements in the United Arab Emirates, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current year. We have communicated the key audit matters to the Audit Committee but they are not a comprehensive reflection of all matters that were identified by our audit and that were discussed with the Audit Committee. On the following pages, we have described the key audit matters we identified and have included a summary of the audit procedures we performed to address those matters.

The key audit matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. The key audit matters are stated below:

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INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF ABU DHABI PORTS COMPANY PJSC (CONTINUED)

Key Audit Matters (continued)

Key audit matter	How the matter was addressed in our audit
Revenue recognition	
Revenue is recognised from various streams and sources such as lease, port operations, logistic operations, concessions, and marine, industrial and digital services. The Group reported revenue of AED 5,498 million (2021: AED 3,910 million). Refer to Note 3 to the consolidated financial statements for the accounting policy and Note 24 for the revenue disclosure The Group focuses on revenue as a key performance measure and as a driver for growth and expansion. Revenue is material and important to determine the Group profitability. Due to the magnitude of the amount, revenue streams, high volume of transactions and the susceptibility of such revenues to overstatement due to fraud risk, we assessed revenue recognition as a Key audit matter. For more information related to revenue, refer to note 3 for accounting policy on revenue recognition and note 24 in the consolidated financial statements.	Our audit procedures included the following: Understanding the significant revenue processes and identifying the relevant controls, IT systems, interfaces and reports, including performance of end-to-end walkthroughs of the revenue processes. Evaluating the design and implementation and testing the operating effectiveness of relevant controls related to the revenue processes. Understanding the control environment and testing the general IT controls over the main systems and applications involved in the revenue recording process. In doing so, we involved our IT specialists to assist in the audit of IT system controls and testing of information produced by the entities' IT systems surrounding the revenue processes. Assessing the Group's accounting policy against the requirements of IFRSs and the compliance of revenue recognized therewith. Performing the following substantive audit procedures: • Tests of details on a sample basis by inspecting relevant supporting documents to determine the occurrence and accuracy of the recorded revenue transactions during the year • Tests of details on a sample of transactions before and after the year end to determine that revenue has been recognized in the correct reporting period. Assessing the overall presentation, structure and content of revenue related disclosures in notes 29 to the consolidated financial statements to determine if they were in compliance with the requirements of IFRSs.

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF ABU DHABI PORTS COMPANY PJSC (CONTINUED)

Key Audit Matters (continued)

Key audit matter	How the matter was addressed in our audit
Business combination	

During the year, the Group entered into a number of business acquisition transactions as disclosed in note 34. As a result of those transactions, the Group recorded goodwill and intangibles of AED 290 million and AED 486 million, respectively.
 	
These transactions have been accounted for in accordance with IFRS 3 Business Combinations. Management have applied the acquisition method in accounting for the abovementioned acquisitions which requires the following:
• identifying the acquirer;
• determining the acquisition date;
• recognizing and measuring the identifiable assets acquired, the liabilities assumed and non-controlling interest in the acquiree; and
• recognizing and measuring goodwill or a gain from a bargain purchase.
 	
Independent external valuation specialists were engaged by the Group to perform the provisional purchase price allocation exercise which includes determination of provisional fair valuation of assets acquired and liabilities assumed, and identification and valuation of the intangible assets.
 	
We have identified the acquisition of these businesses as a key audit matter due to the size of the transactions and the inherent complexities associated with business combinations, particularly the judgements applied and estimates made in the:
• allocation of the provisional purchase price to the identifiable assets acquired and liabilities assumed;
• the identification and measurement of intangible assets and the determination of useful lives assigned to the identified intangible assets; and
• adjustments made to align accounting policies of these businesses with those of the Group.
Refer to Note 34 to the consolidated financial statements for more details relating to this matter.
	As part of our audit procedures in respect of the business combinations, we have:
	• Assessed the design and implementation of controls over the accounting for these transactions;
	• Assessed whether management's assumptions in relation to the accounting for these transactions are in accordance with the requirements of IFRS 3; and
	• Agreed the fair values of the assets and liabilities determined by management to the amounts presented in the consolidated financial statements;
	• As part of our audit procedures in respect of the purchase price allocation, we have:
	  o assessed the completeness and accuracy of the assets acquired and liabilities assumed in the purchase price allocation;
	  o assessed the skills, qualification, objectivity and independence of the external valuation specialists engaged by the Group and reviewed their terms with the Group to determine if it was sufficient for audit purposes.
	  o evaluated, with involvement of our internal experts, the methodologies and significant inputs used by the Group including the identification of intangible assets and the determination of the useful lives of the identified intangible assets;
	  o assessed, with involvement of our internal experts, the fair values of a sample of the assets acquired and liabilities assumed;
	  o analysed the provisional fair value adjustments recognized by management and evaluated whether the adjustments made were in accordance with the requirements of IFRS 3; and
	  o assessed, with involvement of our internal experts, the provisional goodwill recognised by management and evaluated whether it was accounted for in accordance with the requirements of IFRS 3;
	
	• Assessed the disclosure in the consolidated financial statements relating to this matter against the requirements of IFRSs.

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INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF ABU DHABI PORTS COMPANY PJSC (CONTINUED)

Other Information

The Board of Directors are responsible for the other information. The other information comprises the Report of Board of Directors, which we obtained prior to the date of this auditor's report, and the Group's Annual Report, which is expected to be made available to us after that date. The other information does not include the consolidated financial statements and our auditor's report thereon.

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

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

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

When we will read the Group's Annual Report, if we conclude that there is a material misstatement therein, we will be required to communicate the matter to those charged with governance and consider whether a reportable irregularity exists in terms of the auditing standards, which must be reported.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRSs and the applicable provisions of the articles of association of the Company and the UAE Federal Law No. (32) of 2021, and for such internal control as management determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

Those charged with governance are responsible for overseeing the Group's financial reporting process.

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

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

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INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF ABU DHABI PORTS COMPANY PJSC (CONTINUED)

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

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control;
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;
- Conclude on the appropriateness of management' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern;
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation; and
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

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

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INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF ABU DHABI PORTS COMPANY PJSC (CONTINUED)

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

Further, as required by the UAE Federal Decree Law No. (32) of 2021, we report that for the year ended 31 December 2022:

- We have obtained all the information we considered necessary for the purposes of our audit;
- The consolidated financial statements have been prepared and comply, in all material respects, with the applicable provisions of the UAE Federal Decree Law No. (32) of 2021;
- The Group has maintained proper books of account;
- The financial information included in the Report of Board of Directors is consistent with the books of account of the Group;
- Note 3 reflects the Group's investment in shares during the financial year ended 31 December 2022;
- Note 29 reflects the disclosures relating to material related party transactions, balances, and the terms under which they were conducted;
- Note 26 reflects the disclosures relating to social contributions made during the year; and
- Based on the information that has been made available to us nothing has come to our attention which causes us to believe that the Group has contravened during the financial year ended 31 December 2022 any of the applicable provisions of the UAE Federal Decree Law No. (32) of 2021 or, its Memorandum and Articles of Association which would materially affect its activities or its financial position as at 31 December 2022.

Further, as required by the Resolution of the Chairman of the Abu Dhabi Accountability Authority No. 88 of 2021 pertaining to Auditing the Financial Statements of Subject Entities, we report that based on the procedures performed and information provided to us, nothing has come to our attention that causes us to believe that the Company has not complied, in all material respects, with any of the provisions of the following laws, regulations and circulars as applicable, which would materially affect its activities or the financial statements as at 31 December 2022:

- Law No. (1) of 2017 concerning the Financial System of the Government of Abu Dhabi and instructions issued by the Department of Finance pertaining to the preparation and implementation of the annual budget of the Subject Entities;
- Law of establishment; and
- Relevant provisions of the applicable laws, resolutions and circulars that have an impact on Group's consolidated financial statements .

Deloitte & Touche (M.E.)

Rama Padmanabha Acharya
Registration No. 701
16 March 2023
Abu Dhabi
United Arab Emirates

Consolidated statement of financial position as at 31 December 2022

	Notes	2022 AED'000	2021 AED'000
ASSETS			
Non-current assets			
Property, plant and equipment	5	**21,789,636**	17,152,182
Investment properties	6	**4,481,935**	3,637,855
Intangible assets and goodwill	7	**946,902**	224,043
Right-of-use assets	8	**799,838**	635,409
Investment in joint ventures	9	**612,241**	455,493
Investment in an associate	10	**1,280,325**	-
Financial asset at fair value through other comprehensive income	11	**2,078,388**	58,788
Trade and other receivables	12	**2,113,729**	1,778,980
Prepayments and advances	13	**48,600**	45,600
Total non-current assets		**34,151,594**	23,988,350
Current assets			
Inventories	14	**50,772**	25,260
Trade and other receivables	12	**2,922,064**	2,395,316
Prepayments and advances	13	**596,739**	451,308
Property held for sale	35	**-**	237,000
Cash and bank balances	15	**790,822**	1,051,274
Total current assets		**4,360,397**	4,160,158
Total assets		**38,511,991**	28,148,508
EQUITY AND LIABILITIES			
Equity			
Share capital	16	**5,090,000**	3,840,000
Share premium	16	**2,750,000**	-
Statutory reserve	17	**504,696**	379,861
Assets distribution reserve	17	**(22,063)**	(22,063)
Cash flow hedge reserve	17	**(41,154)**	(97,039)
Investment revaluation reserve	11	**928,942**	-
Foreign currency translation reserve		**(21,786)**	-
Merger reserve	17	**1,319,288**	1,319,288
Retained earnings		**4,272,152**	3,148,645
Owner's contribution	29	**4,467,655**	2,069,710
Equity attributable to owners of the Company		**19,247,730**	10,638,402
Non-controlling interests	36	**387,403**	52,546
Total equity		**19,635,133**	10,690,948

The accompanying notes form an integral part of these consolidated financial statements.

Consolidated statement of financial position
as at 31 December 2022 (continued)

	Notes	2022 AED'000	2021 AED'000
Liabilities			
Non-current liabilities			
Deferred government grants	18	6,561,872	6,270,793
Provision for employees' end of service benefits	19	157,308	120,011
Payable to the project companies	20	2,139,765	2,150,564
Lease liabilities	8	845,078	713,460
Bond payable	21	3,589,954	3,581,021
Bank borrowing	22	80,795	-
Trade and other payables	23	506,288	343,753
Total non-current liabilities		13,881,060	13,179,602
Current liabilities			
Deferred government grants	18	279,740	131,919
Payable to the project companies	20	278,681	273,508
Lease liabilities	8	70,249	91,809
Bank borrowings	22	1,395,698	1,146,132
Trade and other payables	23	2,971,430	2,634,590
Total current liabilities		4,995,798	4,277,958
Total liabilities		18,876,858	17,457,560
Total equity and liabilities		38,511,991	28,148,508

To the best of our knowledge, the consolidated financial statements present fairly, in all material respects, the financial condition, results of operations and cash flows of the Group, as of, and for, the periods presented therein.

H.E Falah Mohammed Falah Jaber Al Ahbabi	**Mohamed Juma Al Shamisi**	**Mr. Martin Aarup**
Chairman	Managing Director and Group Chief Executive Officer	Group Chief Financial Officer

The accompanying notes form an integral part of these consolidated financial statements.

Consolidated statement of profit or loss
for the year ended 31 December 2022

	Notes	2022 AED'000	2021 AED'000
Revenue	24	5,497,836	3,909,663
Direct costs	25	(2,865,409)	(2,010,672)
Gross profit		2,632,427	1,898,991
General and administrative expenses	26.1	(984,516)	(682,797)
Impairment losses (including reversals of impairment losses) on financial assets and unbilled lease receivables	12	(142,313)	(20,508)
Selling and marketing expenses		(82,975)	(66,057)
Share of results from joint ventures	9	127,929	29,248
Share of profit from associate	10	36,913	-
(Impairment and write off)/reversal of impairment on investment properties	6	(4,553)	25,813
Finance costs	27	(394,108)	(341,844)
Finance income		15,116	627
Gain on disposal of asset held for sale	35	73,000	-
Other income, net	28	9,507	9,871
Profit before tax		1,286,427	853,344
Income tax expense on foreign operations		(2,014)	-
Net profit for the year		1,284,413	853,344
Attributable to:			
Owners of the Company		1,248,342	845,694
Non-controlling interests	36	36,071	7,650
		1,284,413	853,344
Basic and diluted earnings per share (AED)	30	0.25	0.22
Adjusted EBITDA	31	2,175,091	1,600,772

The accompanying notes form an integral part of these consolidated financial statements.

Consolidated statement of comprehensive income for the year ended 31 December 2022

	Notes	2022 AED'000	2021 AED'000
Profit for the year		**1,284,413**	853,344
Other comprehensive income:			
Items that will not be reclassified subsequently to statement of profit or loss:			
Fair value gain on financial asset designated at FVTOCI	**11**	**928,950**	-
Fair value gain on financial asset designated at FVTOCI – share of equity accounted investees	**10**	**(8)**	-
Items that may be reclassified subsequently to statement of profit or loss			
Share of equity accounted investees:			
Net fair value gain/(loss) on hedging instruments entered into for cash flow hedges – equity accounted joint venture	**9**	**55,885**	37,136
Share of equity accounted associate	**10**	**(21,390)**	**-**
Loss on translation of foreign operations		**(567)**	**-**
Total other comprehensive income		**962,870**	37,136
Total comprehensive income for the year		**2,247,283**	890,480
Attributable to:			
Owners of the Company		**2,211,383**	882,830
Non-controlling interests	**36**	**35,900**	7,650
		2,247,283	890,480

The accompanying notes form an integral part of these consolidated financial statements.

Consolidated statement of changes in equity for the year ended 31 December 2022

	Share capital AED'000	Share premium AED'000	Statutory reserve AED'000	Assets distribution reserve AED'000	Cash flow hedge reserve AED'000	Investment revaluation reserve AED'000	Foreign currency translation reserve AED'000	Merger reserve AED'000	Retained earnings AED'000	Owner's contribution AED'000	Equity attributable to owners of the Company AED'000	Non-controlling interests AED'000	Total AED'000
Balance at 1 January 2021(restated)	3,840,000	-	295,292	(22,063)	(134,175)	-	-	1,319,288	2,387,520	33,343	7,719,205	36,976	7,756,181
Profit for the year	-	-	-	-	-	-	-	-	845,694	-	845,694	7,650	853,344
Other comprehensive income for the year	-	-	-	-	37,136	-	-	-	-	-	37,136	-	37,136
Total comprehensive income for the year	-	-	-	-	37,136	-	-	-	845,694	-	882,830	7,650	890,480
Transferred to statutory reserve	-	-	84,569	-	-	-	-	-	(84,569)	-	-	-	-
Owner's contribution (note 29)	-	-	-	-	-	-	-	-	-	2,036,367	2,036,367	-	2,036,367
Additional shareholder's contribution in a subsidiary (note 36)	-	-	-	-	-	-	-	-	-	-	-	8,997	8,997
Dividend declared to non-controlling interests in a subsidiary (note 36)	-	-	-	-	-	-	-	-	-	-	-	(1,077)	(1,077)
Balance at 1 January 2022	3,840,000	-	379,861	(22,063)	(97,039)	-	-	1,319,288	3,148,645	2,069,710	10,638,402	52,546	10,690,948
Profit for the year	-	-	-	-	-			-	1,248,342	-	1,248,342	36,071	1,284,413
Other comprehensive income for the year	-	-	-	-	55,885	928,942	(21,786)	-	-	-	963,041	(171)	962,870
Total comprehensive income for the year	-	-	-	-	55,885	928,942	(21,786)	-	1,248,342	-	2,211,383	35,900	2,247,283
Transferred to statutory reserve	-	-	124,835	-	-	-	-	-	(124,835)	-	-	-	-
Owner's contribution (note 29)	-	-	-	-	-	-	-	-	-	2,397,945	2,397,945	-	2,397,945
Dividend declared to non-controlling interests in a subsidiary (note 36)	-	-	-	-	-	-	-	-	-	-	-	(2,241)	(2,241)
New shares issued (note 16)	1,250,000	2,750,000	-	-	-	-	-	-	-	-	4,000,000	-	4,000,000
Acquisition of new subsidiaries (note 34)	-	-	-	-	-	-	-	-	-	-	-	301,198	301,198
Balance at 31 December 2022	**5,090,000**	**2,750,000**	**504,696**	**(22,063)**	**(41,154)**	**928,942**	**(21,786)**	**1,319,288**	**4,272,152**	**4,467,655**	**19,247,730**	**387,403**	**19,635,133**

The accompanying notes form an integral part of these consolidated financial statements.

Consolidated statement of cash flows
for the year ended 31 December 2022

	Notes	2022 AED'000	2021 AED'000
Cash flows from operating activities			
Profit for the year		**1,284,413**	853,344
Adjustments for:			
Depreciation of property, plant and equipment and investment properties	**5, 6**	**789,053**	502,094
Depreciation of right-of-use assets	**8**	**45,960**	33,309
Amortisation of intangible assets	**7**	**53,160**	10,690
Impairment and write off/(reversal of loss) on investment properties	**6**	**4,553**	(25,813)
Share of results from joint ventures	**9**	**(127,929)**	(29,248)
Share of profit from associate	**10**	**(36,913)**	**-**
Impairment losses (net of reversals) on financial assets	**12**	**142,313**	20,508
Provision for slow moving inventories	**14**	**1,832**	1,210
Amortisation of government grants	**18**	**(383,042)**	(131,919)
(Gain)/loss on disposal of property, plant and equipment	**28**	**(1,972)**	7,153
Gain on sale of assets held for sale	**35**	**(73,000)**	-
Provision for employees' end of service benefits	**19**	**37,211**	29,284
Foreign exchange loss/(gain)		**2,710**	(287)
Finance costs	**27**	**394,108**	341,844
Finance income		**(15,116)**	(627)
Income tax on foreign operations		**2,014**	-
Operating cash flows before movements in working capital		**2,119,355**	1,611,542
Increase in inventories		**(25,804)**	(9,964)
Increase in trade and other receivables		**(1,241,792)**	(520,865)
Decrease/(increase) in prepayments and advances		**44,335**	(1,766)
Increase/(decrease) in trade and other payables		**761,886**	(267,211)
Cash from operating activities		**1,657,980**	811,736
Employees' end of service benefits paid	**19**	**(9,456)**	(6,596)
Payment of short-term lease	**8**	**(13,602)**	(12,463)
Payment of low-value assets	**8**	**(8,722)**	(6,108)
Net cash generated from operating activities		**1,626,200**	786,569
Cash flows from investing activities			
Purchase of property, plant and equipment	**5**	**(5,199,708)**	(2,856,265)
Purchase consideration paid to acquire new subsidiaries		**(880,642)**	-
Proceeds from sale of asset held for sale		**310,000**	-
Proceeds from sale of property, plant and equipment		**12,336**	734
Purchase of investment properties	**6**	**(321,629)**	(268,590)
Investments placed in joint ventures	**9**	-	(21,190)
Dividends received from joint ventures	**9**	**27,066**	60,811
Dividends received from associate	**10**	**42,485**	**-**
Repayment received from a loan given to a related party	**29**	-	700,000
Investment in short term deposits	**15**	**(29,616)**	(15,154)
Short term deposits matured	**15**	-	9,048
Finance income received		**15,116**	627
Net cash used in investing activities		**(6,024,592)**	(2,389,979)

The accompanying notes form an integral part of these consolidated financial statements.

Consolidated statement of cash flows
for the year ended 31 December 2022 (continued)

	Notes	2022 AED'000	2021 AED'000
Cash flows from financing activities			
Proceeds from bank borrowings	22	1,476,493	2,600,841
Repayment of bank borrowings	22	(1,146,132)	(5,504,709)
Proceeds from issuance of shares	16	4,000,000	-
Proceeds from bond issuance	21	-	3,597,165
Transaction costs paid for bond issuance	21	-	(22,000)
Government grants received	18	303,354	94,941
Contributions received from the parent		-	2,036,367
Finance cost paid		(113,069)	(102,840)
Payments to project companies	20	(253,933)	(255,149)
Payment for principal portion of lease liabilities	8	(116,065)	(28,002)
Payment of interest portion of lease liabilities	8	(40,649)	(38,370)
Dividend paid to non-controlling interests in subsidiaries		(1,675)	(1,077)
Net cash from financing activities		4,108,324	2,377,167
Net (decrease)/increase in cash and cash equivalents		(290,068)	773,757
Cash and cash equivalents at the beginning of the year	15	1,035,803	262,046
Cash and cash equivalents at the end of the year	15	745,735	1,035,803

<u>Significant non-cash transactions:</u>

	Notes	2022 AED'000	2021 AED'000
Investment in an associate received as a capital contribution	10	1,307,295	-
Investment in FVTOCI received as a capital contribution	11	1,090,650	-
Transfer of capital work-in-progress to receivables for Fujairah port development project	12	-	493,196
Transfer to property, plant and equipment – Fujairah port developments (note 5)		500,000	-
Transfer to properties under development (Investment properties) from capital work in progress (Property, plant and equipment)	6	730,936	-
Government grants transferred to a related party	18	-	20,998
Amount due from a related party off set against an amount due to a related party		-	84,610
Capital work-in-progress transferred to an asset held for sale	5	-	237,000
Capital contribution received from non-controlling interest in the form of property, plant and equipment		-	8,997

The accompanying notes form an integral part of these consolidated financial statements.

1 General information

Abu Dhabi Ports Company PJSC ("the Company" or "AD Ports Group") is a public joint stock company established in accordance with the provisions of Emiri Decree No. 6 of 2006 dated 4 March 2006 (“the Decree”) as part of the restructuring of the commercial ports sector in the Emirate of Abu Dhabi ("the Emirate"). During the year, the Company’s ordinary shares were listed on the Abu Dhabi Securities Exchange.

The Company is registered with the Department of Economic Development and obtained its commercial license on 29 March 2006. The registered head office of the Company is at P.O. Box 54477, Mina Zayed, Abu Dhabi, United Arab Emirates.

Pursuant to Abu Dhabi Law No. 2 of 2018 and Executive Council Resolution No. 143/2019, the ownership of the Company was transferred to Abu Dhabi Developmental Holding Company PJSC (“ADQ”) from the Government of Abu Dhabi effective from 20 June 2019. Accordingly, ADQ is the parent undertaking of the Company, and the Government of Abu Dhabi (the “Government”) is the ultimate controlling undertaking of the Company.

The Company, its subsidiaries and joint ventures (together referred to as the “Group”) has grown and diversified into vertically integrated clusters with operations across ports, economic cities and free zones, logistics, maritime and digital services:

- **Ports**, which owns and operates ports as well as operates terminals under concession arrangements in the UAE;
- **Economic Cities & Free Zones**, which principally operates Khalifa Economic Zone “KEZAD” and other industrial cities following the integration of Specialized Economic Zones Company “ZonesCorp” into the Group at the start of 2020;
- **Logistics**, which provide a range of logistical services, such as transportation, warehouse, cargo handling services and value added services;
- **Maritime**, which provides a range of marine services, including feedering, as well as transshipment and offshore support services within and outside UAE, and;
- **Digital**, which provide digital services to external customers through Maqta Gateway LLC as well as services to the Group’s other clusters.

The principal activities of the major subsidiaries, joint ventures and associate are given in note 3, 9 and 10 below respectively.

On 3 October 2022, the United Arab Emirates (UAE) Ministry of Finance (“MoF”) issued Federal Decree-Law No 47 of 2022 on the Taxation of Corporations and Businesses, Corporate Tax Law (“CT Law”) to implement a new CT regime in the UAE. The new CT regime is applicable for accounting periods beginning on or after 1 June 2023.

Generally, UAE businesses will be subject to a 9% CT rate, however a rate of 0% could be applied to taxable income not exceeding a particular threshold or to certain types of entities, to be prescribed by way of a Cabinet Decision.

The Group is currently assessing the impact of these laws and regulations and will apply the requirements as further guidance is provided by the relevant tax authorities.

2 Application of new and revised International Financial Reporting Standards ("IFRSs")

2.1 New and revised IFRSs applied with no material effect on the consolidated financial statements

The following new and revised IFRSs, which became effective for annual periods beginning on or after 1 January 2022, have been adopted in these condensed consolidated financial statements. The application of these revised IFRSs has not had any material impact on the amounts reported for the current and prior years but may affect the accounting for future transactions or arrangements.

- Amendments to IFRS 3 Business Combinations: Reference to the Conceptual Framework.
- Amendments to IAS 16 Property, Plant and Equipment related to proceeds before intended use.
- Amendments to IAS 37 Provisions, Contingent Liabilities and Contingent Assets related to Onerous Contracts—Cost of Fulfilling a Contract.
- Annual Improvements to IFRS Standards 2018-2020: The Annual Improvements include amendments to IFRS 1 First-time Adoption of International Financial Reporting Standards, IFRS 9 Financial Instruments, IFRS 16 Leases, and IAS 41 Agriculture.
- IFRS 16 COVID-19 Related Rent Concessions beyond 30 June 2021.

2.2 New and revised IFRS in issue but not yet effective

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

New and revised IFRS	**Effective for annual periods beginning on or after**
Amendment to IFRS 16 *Covid-19-Related Rent Concessions* beyond 30 September 2021	1 January 2023
IFRS 17 *Insurance Contracts*	1 January 2023
Amendments to IAS 1 and IFRS Practice Statement 2 related to Disclosure of *Accounting Policies*	1 January 2023
Amendments to IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors* related to definition of accounting estimates	1 January 2023
Amendments to IAS 12 *Deferred Tax related to Assets and Liabilities arising from a Single Transaction*	1 January 2023
Amendment to IFRS 10 *Consolidated Financial Statements* and IAS 28 *Investments in Associates and Joint Ventures* relating to treatment of sale or contribution of assets from investors	Effective date deferred indefinitely.

Management anticipates that these new standards, interpretations and amendments will be adopted in the Group's consolidated financial statements for the period of initial application and adoption of these new standards, interpretations and amendments will have no material impact on the consolidated financial statements of the Group in the period of initial application.

3 Summary of significant accounting policies

Statement of compliance

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") and applicable provisions of the Federal Decree law no 32 of 2021.

Federal Law No. 32 of 2021 on Commercial Companies (the "New Companies Law") was issued on 20 September 2021 and has come into effect on 2 January 2022, to entirely replace Federal Law No. 2 of 2015 on Commercial Companies, as amended (the "2015 Law"). The Company has applied the requirements of the New Companies Law during the year ended 31 December 2022.

Basis of preparation

The consolidated financial statements have been prepared on the historical cost basis except for the revaluation of certain financial assets that are measured at fair values through other comprehensive income at the end of each reporting period, as explained in the accounting policies below. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received on sale of an asset or paid on transfer of a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of a financial asset or liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these consolidated financial statements is determined on such a basis, except for leasing transactions that are within the scope of IFRS 16, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in IAS 2 or value in use in IAS 36.

In addition, for financial reporting purposes, fair value measurements are categorised into level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety.

These consolidated financial statements are presented in UAE Dirhams (AED) which is the presentational currency of the Group and all values are rounded to the nearest thousand (AED'000) except when otherwise indicated.

Going concern

The Directors have, at the time of approving the consolidated financial statements, a reasonable expectation that the Group have adequate resources to continue in operational existence for the foreseeable future. Thus, they continue to adopt the going concern basis of accounting in preparing the consolidated financial statements.

Notes to the consolidated financial statements
for the year ended 31 December 2022 (continued)

3 Summary of significant accounting policies (continued)

Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and those of its following subsidiaries:

Name of subsidiary	Ownership interest		Country of incorporation	Principal activity
	2022	2021		
Operating subsidiaries:				
Specialized Economic Zones Company (Zonescorp) Sole Proprietorship LLC	**100%**	100%	UAE	Leasing of industrial lands and workers accommodation buildings
MICCO Logistics - Sole Proprietorship LLC	**100%**	100%	UAE	Freight forwarding and logistics management
Abu Dhabi Marine Services Safeen LLC	**100%**	100%	UAE	Maritime services
Khalifa Industrial Zone Company LLC	**100%**	100%	UAE	Leasing of industrial and commercial lands and warehouses
Abu Dhabi Free Zone LLC	**100%**	100%	UAE	Management of industrial freezones
Maqta Gateway LLC	**100%**	100%	UAE	Digital services and IT solutions
Fujairah Terminals Operating Co Fujairah Terminals LLC	**100%**	100%	UAE	Terminal operator
Abu Dhabi Ports Operating and Logistic Company LLC	**100%**	100%	UAE	Management of ports
Auto Terminal Khalifa Port LLC	**51%**	51%	UAE	RoRo terminal handling automobile imports and transshipments
Abu Dhabi Maritime Academy Sole Proprietorship LLC	**100%**	100%	UAE	Education and maritime training in the UAE and the region
OFCO Offshore support and Logistics services LLC	**51%**	51%	UAE	Maritime offshore and onshore services
Maritime Authority Sole Proprietorship LLC	**100%**	100%	UAE	Maritime services
Abu Dhabi Ports Logistics SPC	**100%**	100%	Oman	Loading and unloading of goods

Notes to the consolidated financial statements
for the year ended 31 December 2022 (continued)

3 Summary of significant accounting policies (continued)

Basis of consolidation (continued)

Name of subsidiary	Ownership interest		Country of incorporation	Principal activity
	2022	2021		
Operating subsidiaries acquired/incorporated during the year:				
Safeen Feeders Company Sole Proprietorship LLC	**100%**	-	UAE	Shipping operations
Divetech Marine Engineering Services LLC	**100%**	-	UAE	Marine Engineering Services
Alligator Shipping Container Line LLC	**100%**	-	UAE	Global shipping and logistics service provider
International Associated Cargo Carrier B.V.	**70%**	-	Egypt	Stevedoring, warehousing and port services
Safeen Diving and Subsea Services LLC	**51%**	-	UAE	Deep sea diving and underwater survey activities
Kizad Communities Development & Services Company - Sole Proprietorship LLC	**100%**	-	UAE	Facilities management
Non- operating subsidiaries:				
Al Yaher General Trading Ltd (Al Yaher)	**100%**	100%	UAE	General trading products
Abu Dhabi Academy Marine Training Center Sole Proprietorship LLC	**100%**	100%	UAE	Maritime training
Kizad Facilities Management Sole Proprietorship LLC	**100%**	100%	UAE	Facilities management
Kizad for Power Utilities and Services Sole Proprietorship LLC	**100%**	100%	UAE	Facilities management
Nishan for Security Services Sole Proprietorship LLC	**100%**	100%	UAE	Facilities management
Al Awaid Project Management & Property LLC (Al Awaid)	**99%**	99%	UAE	Management and leasing of real estate
Al Howaitha General Contracting & Logistics LLC (Al Howaitha)	**99%**	99%	UAE	Development, management and marketing of free zones

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company (its subsidiaries) made up to 31 December each year. Control is achieved when the Company:

- Has the power over the investee is exposed, or has rights, to variable returns from its involvement with the investee; and
- Has the ability to use its power to affect its returns.

3 Summary of significant accounting policies (continued)

Basis of consolidation (continued)

The Company 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

When the Company has less than a majority of the voting or similar rights of an investee, it considers that it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Company considers all relevant facts and circumstances in assessing whether or not the Company's voting rights in an investee are sufficient to give it power, including:

- The size of the Company's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- Potential voting rights held by the Company, other vote holders or other parties;
- Rights arising from other contractual arrangements; and
- Any additional facts and circumstances that indicate that the Company has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit or loss from the date the Company gains control until the date when the Company ceases to control the subsidiary.

Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with the Group's accounting policies.

All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between the members of the Group are eliminated on consolidation.

Non-controlling interests in subsidiaries are identified separately form the Group's equity therein. Those interest of non-controlling shareholders that are present ownership interests entitling their holders to a proportionate share of net assets upon liquidation may initially be measured at fair value or at the non-controlling interests' proportionate share of the fair value of the acquiree's identifiable net assets. The choice of measurement is made on an acquisition-by-acquisition basis. Other non-controlling interests are initially measured at fair value. Subsequent to acquisition, the carrying amount of non-controlling interests is the amount of those interests at initial recognition plus the non-controlling interests' share of subsequent changes in equity.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interest having deficit balance.

Changes in the Group's interests in subsidiaries that do not result in a loss of control are accounted for as equity transactions. The carrying amount of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interest are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to the owners of the Company.

3 Summary of significant accounting policies (continued)

Basis of consolidation (continued)

When the Group losses control of a subsidiary, the gain or losses on disposal recognised in profit or loss is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), less liabilities of the subsidiary and any non-controlling interests. All amounts previously recognised in other comprehensive income in relation to that subsidiary are accounted for as if the Group had directly disposed of the related assets or liabilities of the subsidiary (i.e. reclassified to profit or loss or transferred to another category of equity as required/permitted by applicable IFRS). The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under IFRS 9 when applicable, or the cost on initial recognition of an investment in a joint venture.

Business combination

Acquisition of businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree and the equity interest issued by the Group in exchange of control of the acquiree. Acquisition-related costs are expensed as incurred and included in profit or loss.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their fair value at the acquisition date, except that:

- Deferred tax assets or liabilities and assets or liabilities related to employee benefit arrangements are recognised and measured in accordance with IAS 12 and IAS 19, respectively;
- Liabilities or equity instruments related to shared-based payment arrangements of the acquiree or share-based payment arrangements of the Group entered into to replace share-based payment arrangements of the acquired are measured in accordance with IFRS 2 at the acquisition date, and;
- Assets (or disposal groups) that are classified as held for sale in accordance with IFRS 5 are measured in accordance with that Standard.

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed. If, after reassessment, the net of the acquisition-date amounts of the identifiable assets acquired and liabilities assumed exceeds the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the acquirer's previously held interest in the acquiree (if any), the excess is recognised immediately in profit or loss as a bargain purchase gain.

When the consideration transferred by the Group in a business combination includes a contingent consideration arrangement, the contingent consideration is measured at its acquisition-date fair value and included as part of the consideration transferred in a business combination. Changes in fair value of the contingent consideration that qualify as measurement period adjustments are adjusted retrospectively, with corresponding adjustments against goodwill. Measurement period adjustments are adjustments that arise from additional information obtained during the 'measurement period' (which cannot exceed one year from the acquisition date) about facts and circumstances that existed at the acquisition date.

3 Summary of significant accounting policies (continued)

Basis of consolidation (continued)

Business combination (continued)

The subsequent accounting for changes in the fair value of the contingent consideration that do not qualify as measurement period adjustments depends on how the contingent consideration is classified. Contingent consideration that is classified as equity is not remeasured at subsequent reporting dates and its subsequent settlement is accounted for within equity. Other contingent consideration is remeasured to fair value at subsequent reporting dates with changes in fair value recognised in profit or loss.

When a business combination is achieved in stages, the Group's previously held interests (including joint operations) in the acquired entity are remeasured to its acquisition-date fair value and the resulting gain or loss, if any, is recognised in profit or loss. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognised in other comprehensive income are reclassified to profit or loss, where such treatment would be appropriate if that interest were disposed of.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period (see above), or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed as of the acquisition date that, if known, would have affected the amounts recognised as of that date.

Goodwill

Goodwill is initially recognised and measured as set out above.

Goodwill is not amortised but is reviewed for impairment at least annually. For the purpose of impairment testing, goodwill is allocated to each of the Group's cash-generating units (or groups of cash-generating units) expected to benefit from the synergies of the combination. Cash-generating units to which goodwill has been allocated are tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit. An impairment loss recognised for goodwill is not reversed in a subsequent period.

On disposal of a cash-generating unit, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

Common control transactions

The acquisition of entities/businesses under the common control of shareholders are recognised at book value of such entities/businesses at the date of acquisition. An adjustment is made in equity for any difference between the consideration paid for the acquisition and the capital of the acquiree.

The Group accounts for the common control transactions retrospectively by re-presenting its comparatives and adjust its current reporting period before the date of the transaction as if the combination had occurred before the start of the earliest period presented. However, this restatement does not, extend to periods during which the entities were not under common control.

3 Summary of significant accounting policies (continued)

Investment in joint ventures

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

The considerations made in determining significant influence or joint control are similar to those necessary to determine control over subsidiaries. The Group's investments in its joint ventures are accounted for using the equity method.

The results and assets and liabilities of joint venture are accounted for using the equity method of accounting, except when the investment is classified as held for sale, in which case it is accounted for under IFRS 5 *Non-current Assets Held for Sale and Discontinued Operations*.

Under the equity method, an investment in a joint venture is recognised initially in the consolidated statement of financial position at cost and adjusted thereafter to recognise the Group’s share of the profit or loss and other comprehensive income of the joint venture. When the Group’s share of losses of a joint venture exceeds the Group’s interest in that joint venture (which includes any long-term interests that, in substance, form part of the Group’s net investment in the joint venture), the Group discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the joint venture.

An investment in a joint venture is accounted for using the equity method from the date on which the investee becomes a joint venture. On acquisition of the investment in a joint venture, any excess of the cost of the investment over the Group’s share of the net fair value of the identifiable assets and liabilities of the investee is recognised as goodwill, which is included within the carrying amount of the investment. Any excess of the Group’s share of the net fair value of the identifiable assets and liabilities over the cost of the investment, after reassessment, is recognised immediately in profit or loss in the period in which the investment is acquired.

The requirements of IAS 36 are applied to determine whether it is necessary to recognise any impairment loss with respect to the Group’s investment in a joint venture. When necessary, the entire carrying amount of the investment (including goodwill) is tested for impairment in accordance with IAS 36 as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs of disposal) with its carrying amount. Any impairment loss recognised is not allocated to any asset, including goodwill that forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognised in accordance with IAS 36 to the extent that the recoverable amount of the investment subsequently increases.

3 Summary of significant accounting policies (continued)

Investment in joint ventures (continued)

The Group discontinues the use of the equity method from the date when the investment ceases to be or a joint venture. When the Group retains an interest in the former a joint venture and the retained interest is a financial asset, the Group measures the retained interest at fair value at that date and the fair value is regarded as its fair value on initial recognition in accordance with IFRS 9. The difference between the carrying amount of the a joint venture at the date the equity method was discontinued, and the fair value of any retained interest and any proceeds from disposing of a part interest in the joint venture is included in the determination of the gain or loss on disposal of the joint venture. In addition, the Group accounts for all amounts previously recognised in other comprehensive income in relation to that associate on the same basis as would be required if that associate had directly disposed of the related assets or liabilities. Therefore, if a gain or loss previously recognised in other comprehensive income by that joint venture would be reclassified to profit or loss on the disposal of the related assets or liabilities, the Group reclassifies the gain or loss from equity to profit or loss (as a reclassification adjustment) when the joint venture is disposed of.

When the Group reduces its ownership interest in a joint venture but the Group continues to use the equity method, the Group reclassifies to profit or loss the proportion of the gain or loss that had previously been recognised in other comprehensive income relating to that reduction in ownership interest if that gain or loss would be reclassified to profit or loss on the disposal of the related assets or liabilities.

When a Group entity transacts with a joint venture of the Group, profits and losses resulting from the transactions with the joint venture are recognised in the Group’s consolidated financial statements only to the extent of interests in the joint venture that are not related to the Group.

The Group applies IFRS 9, including the impairment requirements, to long-term interests in joint venture to which the equity method is not applied and which form part of the net investment in the investee. Furthermore, in applying IFRS 9 to long-term interests, the Group does not take into account adjustments to their carrying amount required by IAS 28 (i.e. adjustments to the carrying amount of long-term interests arising from the allocation of losses of the investee or assessment of impairment in accordance with IAS 28).

Investment in an associate

An associate is an entity over which the Group has significant influence that is neither a subsidiary nor an interest in a joint venture. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

The results and assets and liabilities of an associate are accounted for using the equity method of accounting, except when the investment is classified as held for sale, in which case it is accounted for under IFRS 5 *Non-current Assets Held for Sale and Discontinued Operations*. Under the equity method, an investment in an associate is initially recognised in the consolidated financial statements at cost. The carrying amount of the investment is adjusted to recognise changes in the Group's share of net assets of the associate since the acquisition date. Goodwill relating to the associate is included in the carrying amount of the investment and is not tested for impairment individually. When an associate is transferred from an entity under common control, it will be initially recognised at the carrying value at which it is transferred from the other party.

3 Summary of significant accounting policies (continued)

Revenue recognition

Revenue is measured based on the consideration to which the Group expects to be entitled in a contract with a customer and excludes amounts collected on behalf of third parties. The Group recognises revenue when it transfers control of a product or service to a customer. The following table provides information about the nature and time of the satisfaction of performance obligation in contracts with the customers, including significant payment terms and the related revenue recognition policy.

Type of service	Nature and timing of satisfaction of performance obligations
Port related service including digital services	The Group's port related services consist of containerised stevedoring, break bulk, general cargo and digital which are generally carried out in a short span of time. These port related services are contracted with the customers as a single transaction. These port related services have high degree of integration and accordingly, constitute a single distinct performance obligation for the Group. Revenue from these services is recognised at the point in time when the services are rendered to the customer and are usually payable within 30 to 45 days. The Group also provides container storage services at the request of the customer based on the usage period in the storage yard which constitute a separate distinct performance obligation. Revenue from container storage services is recognised over a period of storage days and are usually payable within 30 to 45 days. For revenue recognition, the Group determines the transaction price in accordance with the tariff rates published by the port authorities or agreed rates with the customers.
Concession arrangements	Port concessions represents lease income from concession granted to third party for the exclusive right to operate the container terminals, which fall within the scope of IFRS 16. Lease income recognised is attributable to fixed concession fees based on the contract entered and variable concession fees. The Group recognises revenue over a period of time. For revenue recognition, the Group determines the transaction price in accordance with the agreed rates with the customers.
Marine services	Revenue from ship lifting, docking and undocking of vessels is recognised at the point in time when the customer consumes and takes the benefit of the services. These services are contracted with the customers as a single transaction and constitute a single distinct performance obligation for the Group. For revenue recognition, the Group determines the transaction price in accordance with the tariff rates published by the port authorities or agreed rates with the customers.

3 Summary of significant accounting policies (continued)

Revenue recognition (continued)

Type of service	Nature and timing of satisfaction of performance obligations
Logistics services	Revenue from logistics services consists of freight, trucking and transportation and is recognised at period of time when the contractual terms of agreement are satisfied, and either the end user has accepted the services in accordance with the sales contract, the acceptance provisions have lapsed, or the Group has objective evidence that all criteria for acceptance have been satisfied. All the contracts include a single deliverable and does not include an integration service and could not be performed by another party. It is therefore accounted for as a single performance obligation. For revenue recognition, the Group determines the transaction price in accordance with the agreed rates with the customers.
Lease rentals and services from economic cities and free zones	A lease rental is recognised in the income statement on a straight-line basis over the term of the lease. Where the consideration for the lease is received for subsequent period, the attributable amount of revenue is deferred and recognised in the subsequent period. Unrecognised revenue is classified as deferred revenue under liabilities in the consolidated statement of financial position. Revenue from administrative service, license and registration is recognised at the point in time when the services are rendered to the customer. For revenue recognition, the Group determines the transaction price in accordance with the agreed rates with the customers.

Finance income

Finance income from interest income is recognised using the effective interest method. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial instrument to:

- The gross carrying amount of the financial asset; or
- The amortised cost of the financial liability.

In calculating interest income, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired). However, for financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortised cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.

Other income

Other income includes those income which the Group establishes right to receive benefit (penalties, land reservation and tender fees etc.) through contractual and other arrangements and it is recognised when the right is established in favour of the Group.

3 Summary of significant accounting policies (continued)

Leases

Group as lessor

The Group leases out its investment properties, including own property and right of use assets.

Leases for which the Group is a lessor are classified as finance or operating leases. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

Rental income arising from operating leases is accounted for on a straight-line basis over the lease term and is included in revenue in profit or loss due to its operating nature, except for contingent rental income which is recognised when it arises. Initial direct costs incurred in negotiating and arranging an operating lease are recognised as an expense over the lease term on the same basis as the lease income.

Unbilled lease revenues are recognised as a result of straight lining of lease receivables on the basis that the underlying contractual arrangements provide certain escalations in rental income. This accounting reflects management's estimate that the amounts are recoverable with references to customers intention and the level of investments they have made which would create a commercial incentive for the tenant to continue their lease commitments. Moreover, consideration of contractual entitlement of liquidated damages to the extent of these un-billed balances, would impact the recognition of unbilled lease receivables.

Lease incentives that are paid or payable to the lessee are deducted from lease payments. Accordingly, tenant lease incentives are recognised as a reduction of rental revenue on a straight-line basis over the term of the lease. The lease term is the non-cancellable period of the lease together with any further term for which the tenant has the option to continue the lease, where, at the inception of the lease, the Group is reasonably certain that the tenant will exercise that option.

Amounts received from tenants to terminate leases or to compensate for dilapidations are recognised in profit or loss when the right to receive them arises.

Amounts due from leases under finance lease are recognised as receivables at the amount of the Group's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the Group's net investment outstanding in respect of the leases. Subsequent to initial recognition, the Group regularly reviews the estimated unguaranteed residual value and applies the impairment requirements of IFRS 9, recognising an allowance for expected credit losses on the lease receivables.

When a contract includes both lease and non-lease components, the Group applies IFRS 15 to allocate the consideration under the contract to each component.

The Group as lessee

The Group assesses whether contract is or contains a lease, at inception of the contract. The Group recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets. For these leases, the Group recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

3 Summary of significant accounting policies (continued)

Leases (continued)

The Group as a lessee (continued)

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Group uses its incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise:

- Fixed lease payments (including in-substance fixed payments), less any lease incentives;
- Variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- The amount expected to be payable by the lessee under residual value guarantees;
- The exercise price of purchase options, if the lessee is reasonably certain to exercise the options; and
- Payments of penalties for terminating the lease if the lease term reflects the exercise of an option to terminate the lease.

The lease liability is presented as a separate line item in the consolidated statement of financial position.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using effective interest method) and by reducing the carrying amount to reflect the lease payments made.

The Group remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:

- The lease term has changed or there is a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate;
- The lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is remeasured by discounting the revised lease payments using the initial discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revise discount rate is used); and
- A lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.

The Group did not make any such adjustments during the periods presented.

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day, less any lease incentives received and any initial direct costs. The right-of-use of assets are presented separately in the consolidated statement of financial position and depreciated over the useful life of the underlying asset as follows, which are similar/shorter the period of lease term. The depreciation starts at the commencement date of the lease.

3 Summary of significant accounting policies (continued)

Leases (continued)

The Group as a lessee (continued)

Land	50 years
Port concessions	35 years
Warehouses	10-30 years
Plants and equipment	25 years

If a lease transfers ownership of the underlying asset or the cost of the right-of-use of asset reflects that the Group expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. The Group applies IAS 36 to determine whether a right-of-use asset is impaired and accounts for an identified impairment loss as described in the impairment of non-financial assets policy. Variable rents that do not depend on an index or rate are not included in the measurement of the lease liability and the right-of-use asset. The related payments are recognised as an expense in the period in which the event or condition that triggers those payments occurs and are included in the line 'General and administrative expenses' in the consolidated statement of profit or loss. As a practical expedient, IFRS16 permits a lessee not to separate non-lease components, and instead account for any lease and associated non-lease components as a single arrangement. There are no any material non-lease components applicable to the Group.

Foreign currencies

In preparing the financial statements of the Group entities, transactions in currencies other than the entity's functional currency (foreign currencies) are recognised at the rates of exchange prevailing on the dates of the transactions. At each reporting date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are translated at the rates prevailing at the date when the fair value was determined. Non- monetary items that are measured in terms of historical cost in a foreign currency are not retranslated. For the purpose of presenting consolidated financial statements, the assets and liabilities of the Group's foreign operations are translated at exchange rates prevailing on the reporting date. Income and expense items are translated at the average exchange rates for the period, unless exchange rates fluctuate significantly during that period, in which case the exchange rates at the date of transactions are used. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in a foreign exchange translation reserve (attributed to non-controlling interests as appropriate).

Financial guarantee contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due in accordance with the terms of a debt instrument. Financial guarantee contracts issued by a group entity are initially measured at their fair values and, if not designated as at FVTPL and not arising from a transfer of a financial asset, are subsequently measured at the higher of:

- the amount of the loss allowance determined in accordance with IFRS 9; and
- the amount initially recognised less, where appropriate, the cumulative amount of income recognised in accordance with the Group's revenue recognition policies.

Financial guarantee contracts not designated at FVTPL are presented as 'ECL allowance'.

3 Summary of significant accounting policies (continued)

Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

Property, plant and equipment

Property, plant and equipment held for use in the production or supply of goods or services for rental to others (excluding investment properties), or for administrative purposes, are stated in the statement of financial position at their cost less accumulated depreciation and any accumulated impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the asset. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably.

Expenditure incurred to replace a component of an item of property, plant and equipment that is accounted for separately is capitalised and the carrying amount of the component that is replaced is written off. Other subsequent expenditure is capitalised only when it increases future economic benefits of the related item of property, plant and equipment. All other expenditure is recognised in the consolidated statement of profit or loss as incurred.

Depreciation is calculated based on the estimated useful lives of the applicable assets on a straight-line basis commencing when the assets are ready for their intended use. The estimated useful lives, residual values and depreciation methods are reviewed at each statement of financial position date, with the effect of any changes in estimate accounted for on a prospective basis.

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

	Years
Port infrastructure	3 – 50
Road infrastructure	3 – 50
Substations	25
Building and building improvements	2 – 50
Office equipment and furniture	3 – 25
Motor vehicles	4 – 10

The estimated useful lives, residual values and depreciation method are reviewed at each year end, with the effect of any changes in estimate accounted for on a prospective basis.

3 Summary of significant accounting policies (continued)

Property, plant and equipment (continued)

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. 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 net sales proceeds and the carrying amount of the asset and is recognised in the consolidated statement of profit or loss.

Capital work-in-progress

Properties or assets in the course of construction for production, supply or administrative purposes, or for purposes not yet determined, are carried at cost, less any recognised impairment loss. Cost includes all direct costs attributable to the design and construction of the property including related directly attributable staff costs, and for qualifying assets, borrowing costs capitalised in accordance with the Group's accounting policy. When the assets are ready for intended use, the capital work-in-progress is transferred to the appropriate property, plant and equipment category and is depreciated in accordance with the Group’s policies. No depreciation is provided on capital work-in-progress.

Investment properties

Investment properties comprise completed properties and properties under development. Completed properties are held to earn rentals and/or for capital appreciation and property being constructed is for future use as investment properties.

Investment properties are measured initially at cost including transaction costs. Subsequent to initial recognition, investment properties are measured at cost less accumulated depreciation and any accumulated impairment losses.

Depreciation is calculated based on the estimated useful lives of the applicable assets on a straight-line basis (estimated useful lives of 20 to 50 years) commencing when the assets are ready for their intended use. The estimated useful lives, residual values and depreciation methods are reviewed at each statement of financial position date, with the effect of any changes in estimate accounted for on a prospective basis.

No depreciation is provided on land, included in the investment properties.

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from the disposal. Any gain or loss arising on derecognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in statement of profit or loss in the period in which the property is derecognised.

3 Summary of significant accounting policies (continued)

Intangible assets

Intangible assets, including customer relationships and rights, that are acquired by the Group and have finite useful lives are measured at cost less accumulated amortisation and any accumulated impairment losses.

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

Amortisation is calculated to write off the cost of intangible assets less their estimated residual values using the straight-line method over their estimated useful lives, and is generally recognised in profit or loss. Goodwill is not amortised.

	Years
Rights	3-30
Customer contracts	3-29

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

The carrying values of goodwill is reviewed for impairment on annual basis and other intangible assets when events or changes in circumstances indicate the carrying value may not be recoverable, respectively. If any such indication exists and where the carrying value exceeds 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.

Impairment of non-financial assets

At each reporting date, the Group reviews the carrying amounts of its non-financial 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 to determine the extent of the impairment loss (if any). Where the asset does not generate cash flows that are independent from other assets, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Intangible assets with an indefinite useful life are tested for impairment at least annually and whenever there is an indication at the end of a reporting period that the asset may be impaired.

Recoverable amount is the higher of fair value less costs of disposal and value in use. 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 for which the estimates of future cash flows have not been adjusted.

3 Summary of significant accounting policies (continued)

Impairment of non-financial assets (continued)

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 profit or loss.

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, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

Inventories

Inventories are valued at the lower of cost and net realisable value after making due allowance for any obsolete or slow moving items. Costs are those expenses incurred in bringing each product to its present location and condition and are determined on a weighted average cost basis.

Net realisable value is based on estimated selling price in the ordinary course of business, less estimated costs necessary to make the sale.

Provisions

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

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, 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.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

Employees' benefits

An accrual is made for the estimated liability for employees' entitlement to annual leave and leave passage as a result of services rendered by eligible employees up to the end of the year.

The Group provides end of service benefits to its expatriate 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. The expected costs of these benefits are accrued over the period of employment.

3 Summary of significant accounting policies (continued)

Employees' benefits (continued)

The Group contributes to the pension scheme for UAE nationals under the Abu Dhabi Retirement Pension and Benefits Fund law. This is a defined contribution pension plan and the Group's contributions are charged to the consolidated statement of profit or loss and other comprehensive income in the period to which they relate. In respect of this scheme, the Group has a legal and constructive obligation to pay the fixed contributions as they fall due and no obligations exist to pay the future benefits.

The accrual relating to annual leave, leave passage and Group's contribution to the pension scheme for UAE nationals are disclosed as current liabilities, while the provision relating to end of service benefits to its expatriate employees as a non-current liability.

Government grants

Government grants are not recognised until there is reasonable assurance that the Group will comply with the conditions attaching to them and that the grants will be received.

Government grants are recognised in profit or loss on a systematic basis over the periods in which the Group recognises as expenses the related costs for which the grants are intended to compensate. Specifically, government grants whose primary condition is that the Group should purchase, construct or otherwise acquire non-current assets (including property, plant and equipment) are recognised as deferred income in the consolidated statement of financial position and transferred to profit or loss a (netted against direct cost) on a systematic and rational basis over the useful lives of the related assets.

Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs are recognised in profit or loss in the period in which they become receivable.

Non-monetary government grants are recorded at a nominal value on recognition.

Financial instruments

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in the consolidated statement of profit or loss.

3 Summary of significant accounting policies (continued)

Financial instruments (continued)

Financial assets

All regular purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

All recognised financial assets are measured subsequently in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Classification of financial assets

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- It is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- Its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

- It is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- Its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the Group may irrevocably elect to present subsequent changes in the investment's fair value in OCI. This election is made on an investment-by-investment basis.

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. This includes all derivative financial assets. On initial recognition, the Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

3 Summary of significant accounting policies (continued)

Financial instruments (continued)

Financial assets (continued)

Classification of financial assets (continued)

The Group makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed, and information is provided to management. The information considered includes:

- The stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realising cash flows through the sale of the assets;
- How the performance of the portfolio is evaluated and reported to the Group's management;
- The risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- How managers of the business are compensated – e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- The frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the Group's continuing recognition of the assets.

Financial assets that are held for trading or are managed and whose performance is evaluated on a fair value basis are measured at FVTPL.

Amortised cost and effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period.

The amortised cost of a financial asset is the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount, adjusted for any loss allowance.

Equity instruments designated as at FVTOCI

On initial recognition, the Group may make an irrevocable election (on an instrument-by-instrument basis) to designate investments in equity instruments as at FVTOCI. Designation at FVTOCI is not permitted if the equity investment is held for trading or if it is contingent consideration recognised by an acquirer in a business combination.

Investments in equity instruments at FVTOCI are initially measured at fair value plus transaction costs. Subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognised in other comprehensive income and accumulated in the investments revaluation reserve.

3 Summary of significant accounting policies (continued)

Financial instruments (continued)

Financial assets (continued)

Equity instruments designated as at FVTOCI (continued)

The cumulative gain or loss is not reclassified to profit or loss on disposal of the equity investments, instead, it is transferred to retained earnings.

Dividends on these investments in equity instruments are recognised in profit or loss in accordance with IFRS 9, unless the dividends clearly represent a recovery of part of the cost of the investment.

Foreign exchange gains and losses

The carrying amount of financial assets that are denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of each reporting period. Specifically:

- For financial assets measured at amortised cost that are not part of a designated hedging relationship, exchange differences are recognised in profit or loss; and
- For equity instruments measured at FVTOCI, exchange differences are recognised in other comprehensive income in the investments revaluation reserve.

Impairment of financial assets

The Group recognises a loss allowance for expected credit losses on investments in financial assets that are measured at amortised cost, trade receivables, due from related parties, accrued income and un-billed lease receivables. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

The Group always recognises lifetime expected credit losses (ECL) for trade receivables, due from related parties, accrued income and un-billed lease receivables. The expected credit losses on these financial assets are estimated using a provision matrix based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate. For all other financial instruments, the Group recognises lifetime ECL when there has been a significant increase in credit risk since initial recognition. However, if the credit risk on the financial instrument has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to 12-month ECL.

Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12-month ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

3 Summary of significant accounting policies (continued)

Financial instruments (continued)

Financial assets (continued)

Significant increase in credit risk

In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial instrument at the reporting date with the risk of a default occurring on the financial instrument at the date of initial recognition. In making this assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort. Forward looking information considered includes the future prospects of the industries in which the Group's debtors operate, obtained from economic expert reports, financial analysts, governmental bodies, relevant think-tanks and other similar organisations, as well as consideration of various external sources of actual and forecast economic information that relate to the Group's core operations.

Definition of default

The Group considers the following as constituting an event of default for internal credit risk management purposes as historical experience indicates that financial assets that meet either of the following criteria are generally not recoverable:

- When there is a breach of financial covenants by the debtor; and
- Information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Group, in full (without taking into account any collateral held by the Group).

Irrespective of the above analysis, the Group considers that default has occurred when a financial asset is more than 90 days past due unless the Group has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

Credit-impaired financial assets

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:

- Significant financial difficulty of the issuer or the borrower;
- A breach of contract, such as a default or past due event (see (ii) above);
- The lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider;
- It is becoming probable that the borrower will enter bankruptcy or other financial reorganisation; and
- The disappearance of an active market for that financial asset because of financial difficulties.

3 Summary of significant accounting policies (continued)

Financial instruments (continued)

Financial assets (continued)

Write-off policy

The Group writes off a financial asset when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the debtor has been placed under liquidation or has entered into bankruptcy proceedings, or in the case of trade receivables, when the amounts are over two years past due, whichever occurs sooner. Financial assets written off may still be subject to enforcement activities under the Group's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in profit or loss.

Measurement and recognition of expected credit losses

The measurement of expected credit losses is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information.

For financial assets, the expected credit loss is estimated as the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive, discounted at the original effective interest rate.

Derecognition of financial assets

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss. In contrast, on derecognition of an investment in an equity instrument which the Group has elected on initial recognition to measure at FVTOCI, the cumulative gain or loss previously accumulated in the investments revaluation reserve is not reclassified to profit or loss, but is transferred to retained earnings

3 Summary of significant accounting policies (continued)

Financial instruments (continued)

Financial liabilities and equity

Classification as debt or equity

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Group are recognised at the proceeds received, net of direct issue cost.

Financial liabilities

All financial liabilities are measured subsequently at amortised cost using the effective interest method or at FVTPL.

Financial liabilities measured subsequently at amortised cost

Financial liabilities that are not (i) contingent consideration of an acquirer in a business combination, (ii) held-for-trading, or (iii) designated as at FVTPL, are measured subsequently at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortised cost of a financial liability.

Foreign exchange gains and losses

For financial liabilities that are denominated in a foreign currency and are measured at amortised cost at the end of each reporting period, the foreign exchange gains and losses are determined based on the amortised cost of the instruments.

Derecognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group’s obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

3 Summary of significant accounting policies (continued)

Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

Derivative financial instruments and hedge accounting

The Group designates certain derivatives as hedging instruments to hedge the variability in cash flows associated with highly probable forecast transactions arising from changes in interest rates.

Cash flow hedges

When a derivative is designated as a cash flow hedging instrument, the effective portion of changes in the fair value of the derivative is recognised in OCI and accumulated in the hedging reserve. The effective portion of changes in the fair value of the derivative that is recognised in OCI is limited to the cumulative change in fair value of the hedged item, determined on a present value basis, from inception of the hedge. Any ineffective portion of changes in the fair value of the derivative is recognised immediately in profit or loss.

Non-current assets held for sale

Non-current assets (and disposal groups) classified as held for sale are measured at the lower of carrying amount and fair value less costs to sell.

Non-current assets and disposal groups are classified as held for sale if their carrying amount will be recovered through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset (or disposal group) is available for immediate sale in its present condition. Management must be committed to the sale which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

When the Group is committed to a sale plan involving loss of control of a subsidiary, all of the assets and liabilities of that subsidiary are classified as held for sale when the criteria described above are met, regardless of whether the Group will retain a non-controlling interest in its former subsidiary after the sale.

When the Group is committed to a sale plan involving disposal of an investment in an associate or, a portion of an investment in an associate, the investment, or the portion of the investment in the associate, that will be disposed of is classified as held for sale when the criteria described above are met. The Group then ceases to apply the equity method in relation to the portion that is classified as held for sale. Any retained portion of an investment in an associate that has not been classified as held for sale continues to be accounted for using the equity method.

Taxation

Income tax (expense) / benefit comprises current and deferred tax. Income tax (expense) / benefit is recognised in profit or loss except to the extent that it relates to a business combination, or items recognised directly in equity or in other comprehensive income.

3 Summary of significant accounting policies (continued)

Taxation (continued)

Current tax
The tax currently payable is based on taxable profit for the period/year. Taxable profit differs from net profit as reported in profit or loss because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted at the reporting date.

A provision is recognised for those matters for which the tax determination is uncertain but it is considered probable that there will be a future outflow of funds to a tax authority. The provisions are measured at the best estimate of the amount expected to become payable. The assessment is based on the judgement of tax professionals within the Group supported by previous experience in respect of such activities and in certain cases based on specialist independent tax advice.

Deferred tax
Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for the following temporary differences: the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss, and differences relating to investments in subsidiaries and joint venture to the extent that it is probable that they will not reverse in the foreseeable future.

In addition, deferred tax is not recognised for taxable temporary differences arising on the initial recognition of goodwill. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognised for unused tax losses, unused tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

4 Critical accounting judgements and key sources of estimation uncertainty

In applying the Group's accounting policies, which are described in note 3, the Directors are required to make judgements (other than those involving estimations) that have a significant impact on the amounts recognised and to make estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revision to accounting estimates are recognised in the period of the revision 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.

Critical judgements in applying the Group's accounting policies

The following are the critical judgements, apart from those involving estimations (which are presented separately below), that the Directors have made in the process of applying the Group's accounting policies and that have the most significant effect on the amounts recognised in financial statements.

Control assessment on a joint venture ("JV")

Note 9 to the consolidated financial statements describes that the following investee is a joint venture of the Group even though the Group has 51% ownership interest and voting rights.

Name of investee	Place of incorporation	Place of operation	Proportion of beneficial interest and effective control
Abu Dhabi Terminal ("ADT")	Abu Dhabi, U.A.E.	Abu Dhabi, U.A.E.	51%

The remaining ownership interests are held by shareholders that are unrelated to the Group.

The management of the Company assessed whether or not the Group has control over ADT based on whether the Group has existing rights and the practical ability to direct the relevant activities of ADT unilaterally. Management concluded that since the Group has equal voting rights with the other investor and same representation in the investee's board of Directors, the Group has a joint control over the investee.

4 Critical accounting judgements and key sources of estimation uncertainty (continued)

Key sources of estimation uncertainty

The key assumptions concerning the future, and other key sources of estimation uncertainty at the reporting period that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below.

Impairment assessment of investment properties

Investment properties are assessed for impairment based on assessment of cash flows on individual cash generating units when there is an indication of impairment.

In assessing whether there is any indication that the investment properties at the end of the reporting period may be impaired, the Group considered the following:

- Changes in the technological, market, economic or legal environment in which the Group operates that had or would have an adverse effect on the Group;
- Physical damage of the assets under construction;
- Plans to discontinue or restructure the operation to which the assets under construction belong; and
- Evidence from internal reporting that indicates a significant decline in budgeted net cash flows flowing from the asset.

Investment properties are tested for impairment when there are indicators that the carrying amounts may not be recoverable. When value in use calculations are undertaken, management estimates the discounted cash flows projections based on reliable estimates of future cash flows, supported by the expected terms of existing lease arrangements from the asset or CGU and determines a suitable discount rate in order to calculate the present value of those cash flows. Based on such detailed assessment performed, the management concluded that there is no impairment losses for its investment properties as of 31 December 2022.

Useful lives and residual values of property, plant and equipment and investment properties

The useful lives and residual values of the property, plant equipment and investment properties are based on management's judgement of the historical pattern of useful lives and the general standards in the industry. It could change significantly as a result of technical innovations and competitor actions in response to severe industry cycles. Management will increase the depreciation charge where useful lives are less than previously estimated lives, or it will write-off or write-down technical obsolete or non-strategic assets that have been abandon or sold. Management has reviewed the residual values and the estimated useful lives of property, plant and equipment and investment properties in accordance with IAS 16 *Property, plant and equipment* and IAS 40 *Investment properties* has determined that these expectations do not significantly differ from previous estimates.

4 Critical accounting judgements and key sources of estimation uncertainty (continued)

Key sources of estimation uncertainty (continued)

Calculation of loss allowance

Measurement of ECLs is a significant estimate that involves determination methodology, models and data inputs. Details of ECL measurement methodology are disclosed in note 11. The following components has a major impact on the credit loss allowance: definition of default, probability of default "PD", exposure at default "EAD" and loss given default "LGD".

The Group uses a provision matrix to calculate ECLs for accounts receivables. The provision rates are based on days past due. The provision matrix is initially based on the Group's historical observed default rates. The Group will calibrate the matrix to incorporate forward looking data. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

The assessment of the correlation between historical observed default rates, forecast economic condition and ECLs is a significant estimate. The Group's historical credit loss experience and forecast of economic conditions may not be representative of customers actual default in the future.

Impairment of goodwill

Determining whether goodwill is impaired requires an estimation of the value in use of the cash-generating units to which goodwill has been allocated. The value in use calculation requires the Group to estimate the future cash flows expected to arise from the cash-generating unit and a suitable discount rate in order to calculate present value which necessarily involves making estimates and assumptions regarding revenue growth, operating margins, appropriate discount rates and working capital requirements. These estimates will likely differ from future actual results of operations and cash flows, and it is possible that these differences could be material.

Impairment of non-financial assets

Property, plant and equipment, right of use assets, biological assets and investment property are assessed for impairment based on assessment of cash flows on individual cash generating units when there is indication of impairment. Cash flows are determined based on contractual agreements and estimations over the useful life of the assets and discounted using a range of discounting rates representing the rate of return on such cash generating units. The net present values are compared to the carrying amounts to assess any probable impairment. Management is satisfied that no impairment against property, plant and equipment and investment properties is noted as on year end.

Impairment of investment in associate

In testing for impairment, the Group evaluates the specific investee's profitability, liquidity, solvency and ability to generate operating cash flows for the foreseeable future. Any shortfall between the estimated recoverable amount and the carrying value of investment is recognised as an expense in the consolidated statement of profit or loss. Management is satisfied that no impairment provision is necessary on its investments in associate.

Notes to the consolidated financial statements for the year ended 31 December 2022 (continued)

4 Critical accounting judgements and key sources of estimation uncertainty (continued)

Key sources of estimation uncertainty (continued)

Discount rate used for initial measurement of lease liability

The Group, as a lessee, measures the lease liability at the present value of the unpaid lease payments at the commencement date. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Group, on initial recognition of the lease, uses its incremental borrowing rate. Incremental borrowing rate is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use assets in similar initial recognition of the lease, uses its incremental borrowing rate. Incremental borrowing rate is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use assets in similar
economic environment.

Determining the lease term

In determining the lease term, the Group considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated). Potential future cash outflows have not been included in the lease liability because it is not reasonably certain that the leases will be extended (or not terminated).

Notes to the consolidated financial statements for the year ended 31 December 2022 (continued)

5 Property, plant and equipment

	Port infrastructure AED '000	Road infrastructure AED '000	Substations AED '000	Building and improvements AED '000	Vessels and equipment AED '000	Office facilities AED '000	Motor vehicles AED '000	Capital work-in-progress AED '000	Total AED '000
Cost									
At 1 January 2021	8,510,904	512,880	359,016	2,313,966	686,459	712,865	68,681	4,692,450	17,857,221
Additions during the year	18,940	-	-	131	2,472	31,840	16,978	2,853,538	2,923,899
Transfers from capital work-in-progress	449,291	-	-	1,436,380	783,359	84,561	109	(2,753,700)	-
Transfers to receivables (i)	-	-	-	-	-	-	-	(493,196)	(493,196)
Transfers to property held for sale (note 35)	-	-	-	-	-	-	-	(237,000)	(237,000)
Transfers to grants (note 18)	-	-	-	-	-	-	-	(20,998)	(20,998)
Disposals	(252)	-	-	(9,456)	-	(14,568)	-	-	(24,276)
At 1 January 2022	8,978,883	512,880	359,016	3,741,021	1,472,290	814,698	85,768	4,041,094	20,005,650
Additions during the year	-	-	-	-	12,713	4,674	-	5,105,294	5,122,681
Transfers from capital work-in-progress	207,316	-	79,256	400,442	2,513,277	73,687	-	(3,273,978)	-
Transfers to investment properties (note 6)	-	-	-	-	-	-	-	(730,936)	(730,936)
Transfers from receivables (i)	67,000	-	-	433,000	-	-	-	-	500,000
Transfers from Right of use asset (note 8)	-	-	-	-	122,570	-	-	-	122,570
Acquired through business combination (note 34)	-	-	-	-	327,617	-	-	-	327,617
Disposals	(8,748)	-	-	-	(2,775)	(4,658)	(1,518)	-	(17,699)
At 31 December 2022	**9,244,451**	**512,880**	**438,272**	**4,574,463**	**4,445,692**	**888,401**	**84,250**	**5,141,474**	**25,329,883**
Accumulated depreciation									
At 1 January 2021	1,160,611	142,574	114,579	333,392	411,808	309,070	10,296	-	2,482,330
Charge for the year	162,013	20,649	14,415	42,531	36,379	111,508	32	-	387,527
Disposals	(40)	-	-	(1,782)	-	(14,567)	-	-	(16,389)
At 1 January 2022	1,322,584	163,223	128,994	374,141	448,187	406,011	10,328	-	2,853,468
Charge for the year	178,795	20,650	15,375	67,968	207,339	94,349	645	-	585,121
Acquisition through business combination (note 34)	-	-	-	-	98,430	-	-	-	98,430
Transfer from right of use asset (note 8)	-	-	-	-	10,563	-	-	-	10,563
Disposals	(5,373)	-	-	-	(444)	-	(1,518)	-	(7,335)
At 31 December 2022	**1,496,006**	**183,873**	**144,369**	**442,109**	**764,075**	**500,360**	**9,455**	**-**	**3,540,247**
Carrying amount									
At 31 December 2022	**7,748,445**	**329,007**	**293,903**	**4,132,354**	**3,681,617**	**388,041**	**74,795**	**5,141,474**	**21,789,636**
At 31 December 2021	7,656,299	349,657	230,022	3,366,880	1,024,103	408,687	75,440	4,041,094	17,152,182

5 Property, plant and equipment (continued)

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

	2022	2021
	AED'000	AED'000
Direct costs (Note 25)	**481,868**	313,699
General and administrative expenses (Note 26)	**103,253**	73,828
	585,121	387,527

Except for property, plant and equipment granted by the Government of Abu Dhabi as described in note 18, all other granted property, plant and equipment to the Group by the Government of Abu Dhabi have been recognised at a nominal value of AED 1.

Capital work-in-progress mainly comprises the costs relating to Khalifa Port and Economic Cities & Free Zones developments.

Staff costs of AED 165.6 million have been capitalised within capital work-in-progress during the year ended 31 December 2022 (2021: AED 149.4 million).

Borrowing costs of AED 35.2 million have been capitalised during the year ended 31 December 2022 (2021: AED 61.0 million).

(i) The Group has constructed improvements to Fujairah Port Infrastructure totaling to AED 500 million (31 December 2021: AED 493.2 million). The assets developed are funded by Ministry of Presidential Affairs and were disclosed under Receivable for Fujairah Port development (note 12) and Advances for Fujairah Port development project (note 23). During the year, the Group received communication from Ministry of Presidential Affairs to retain these assets and therefore these assets are transferred to "Property, plant and equipment" from Receivable and "Deferred government grants" (note 18) from "Advances for Fujairah Port development project" (note 23), respectively.

6 Investment properties

	Completed properties AED'000	Properties under development AED'000	Total AED'000
Cost			
At 1 January 2021	4,203,075	607,238	4,810,313
Additions	-	268,590	268,590
Transfers from properties under development	325,501	(325,501)	-
At 1 January 2022	4,528,576	550,327	5,078,903
Additions	-	321,629	321,629
Transfers from properties under development	78,099	(78,099)	-
Transfers from property, plant and equipment (note 5)	-	730,936	730,936
Write off of properties under development		(34,145)	(34,145)
At 31 December 2022	**4,606,675**	**1,490,648**	**6,097,323**
Accumulated depreciation			
At 1 January 2021	893,395	-	893,395
Charge for the year	114,567	-	114,567
At 1 January 2022	1,007,962	-	1,007,962
Charge for the year	203,932	-	203,932
At 31 December 2022	**1,211,894**	-	**1,211,894**
Accumulated impairment			
At 1 January 2021	458,899		458,899
Reversal of impairment loss	(25,813)	-	(25,813)
At 1 January 2022	433,086	-	433,086
Reversal of impairment on investment properties – net	(29,592)	-	(29,592)
At 31 December 2022	**403,494**	-	**403,494**
Carrying amount			
At 31 December 2022	**2,991,287**	**1,490,648**	**4,481,935**
At 31 December 2021	3,087,528	550,327	3,637,855

The depreciation charge has been recorded under the direct costs in the consolidated statement of profit or loss.

6 Investment properties (continued)

Rental income from investment properties of AED 1,739 million (2021: AED 1,627 million) was earned and direct operating expenses (including maintenance expense) of AED 561.4 million was incurred during the year ended 31 December 2022 (2021: AED 471.4 million).

During the year, the Group has reclassified AED 730.9 million (2021: Nil) from property, plant & equipment (capital work-in-progress) to Investment properties (properties under development) due to the change in the intended use of the assets upon completion.

Investment properties under development mainly comprises the costs relating to warehouses, Razeen and workers residential cities in Economic Cities and Free Zone.

The inputs used in the valuation are not based on observable market data and thus the valuation techniques were considered to be Level 3 valuation.

Some of the Group's investment properties have been recognised at cost of AED 1, as the nominal value at which these properties were granted from the Government of Abu Dhabi as disclosed in note 18. These investment properties include warehouses relating to Khalifa Industrial Zone Company LLC, Zayed Port, and Industrial City of Abu Dhabi.

Investment properties under development mainly comprises the costs relating to warehouses and Razeen workers residential cities in industrial zones.

The inputs used in the valuation are not based on observable market data and thus the valuation techniques were considered to be Level 3 valuation. There has been no change to the valuation technique during the year and no transfer in the current year between the levels of the fair value hierarchy (2021: Nil).

Notes to the consolidated financial statements
for the year ended 31 December 2022 (continued)

7 Intangible assets and goodwill

	Goodwill AED'000	Customer contracts and relationships AED'000	Rights, brand name and others AED'000	Total AED'000
Cost				
At 1 January and 31 December 2021	54,534	181,200	27,170	262,904
At 1 January 2022	54,534	181,200	27,170	262,904
Acquired through business combination (note 34)	289,990	372,599	113,430	776,019
As at 31 December 2022	**344,524**	**553,799**	**140,600**	**1,038,923**
Accumulated amortisation				
At 1 January 2021	-	25,907	2,264	28,171
Charge for the year	-	9,784	906	10,690
At 1 January 2022	-	35,691	3,170	38,861
Charge for the year		40,436	12,724	53,160
As at 31 December 2022	**-**	**76,127**	**15,894**	**92,021**
Carrying amount				
As at 31 December 2022	**344,524**	**477,672**	**124,706**	**946,902**
As at 31 December 2021	54,534	145,509	24,000	224,043

Goodwill

The carrying amount of goodwill has been allocated to CGUs as follows:

	2022 AED'000	2021 AED'000
Logistics cluster - Abu Dhabi Terminals LLC (a)	**32,824**	32,824
Logistics cluster - MICCO Logistics (b)	**21,710**	21,710
Maritime cluster - Divetech Marine Engineering Services LLC	**26,100**	-
Maritime cluster - Alligator Shipping Container Line LLC	**10,826**	-
Maritime cluster - Safeen Diving and Subsea Services LLC	**92,572**	-
Maritime cluster - Transmar International shipping company	**148,704**	-
Ports cluster - Transcargo International	**11,788**	-
	344,524	54,534

7 Intangible assets and goodwill (continued)

Goodwill (continued)

The Group tests goodwill annually for impairment, or more frequently if there are indications that goodwill might be impaired.

(a) Logistics cluster - Abu Dhabi Terminals LLC

The Group recognised goodwill of AED 32.8 million from the acquisition of full shareholding interest of logistics operations of Abu Dhabi Terminals LLC (‘ADT’), a cash generating unit. The recoverable amount of this CGU was based on its value in use calculation, which uses cash flow projections based on financial budgets approved by the Directors covering a five-year period and a discount rate of 5.5% per annum (2021: 6% per annum) calculated by weighted average cost of capital (“WACC”).

The key assumptions used by management in setting the financial budgets for the initial five-year period were as follows:

Forecast sales growth rates

Forecast sales growth rates are based on past experience adjusted for future trends in the relevant industries.

Operating profits

Operating profits are forecast based on historical experience of operating margins, adjusted for the impact of for future trends in the relevant industries.

Cash flows beyond that five-year period have been extrapolated using a steady 4% (2021: 3%) per annum growth rate.

The steady growth rate of 4% is estimated by the Directors of the Group based on past performance of the CGU and their expectations of market development. The Directors estimate that a decrease in growth rate by 4% would not reduce the headroom in the CGU to nil and would not result in an impairment charge.

The carrying amount of the CGU was determined to be lower than its recoverable amount of AED 4,649 million (2021: AED 4,205 million), accordingly, no impairment loss has been recognised during 2022 (2021: AED nil).

(b) Logistic cluster - of MICCO Logistics

The Group recognised goodwill of AED 21.7 million from the acquisition of full shareholding interest of MICCO Logistics- Sole Proprietorship LLC (“MICCO”), a CGU. The recoverable amount of this cluster was based on its value in use calculation, which uses cash flow projections based on financial budgets approved by the Directors covering a five-year period and a discount rate of 5.5% per annum (2021: 6% per annum) calculated by weighted average cost of capital (“WACC”).

The key assumptions used by management in setting the financial budgets for the initial five-year period were as follows:

Forecast sales growth rates

Forecast sales growth rates are based on past experience adjusted for future trends in the relevant industries.

7 Intangible assets and goodwill (continued)

Goodwill (continued)

(b) Logistic cluster - of MICCO Logistics (continued)

<u>Operating profits</u>

Operating profits are forecast based on historical experience of operating margins, adjusted for the impact of for future trends in the relevant industries.

Cash flows beyond that five-year period have been extrapolated using a steady 4% (2021: 3%) per annum growth rate.

The steady growth rate of 4% is estimated by the Directors of the Group based on past performance of the cash-generating unit and their expectations of market development. The Directors estimate that a decrease in growth rate by 4% would not reduce the headroom in the cash-generating unit to nil and would not result in an impairment charge.

The carrying amount of the CGU was determined to be lower than its recoverable amount of AED 5,698 million (2021: AED 2,901 million), accordingly, no impairment loss has been recognised during 2022 (2021: AED nil).

Customer contracts and relationships

Customer contracts and relationships includes:

- AED 173 million was acquired during 2018 from a business combination as a result of evaluating a long-term contract between ADT and a local entity on which ADT is providing gateway operation services since 2013; and
- AED 8.3 million of customer contracts and relationships as a result of the acquisition of Al Mazroui International Cargo Company LLC on 24 January 2019.
- AED 372.6 million of customer contracts and relationships as a result of the acquisitions during the year 2022.

Rights

Rights with a fair value of AED 27,170 thousand were acquired during 2018 as a result of signing a long-term agreement with an international shipping company as consideration for selling 49% ownership in ADT.

During the year, the group has recorded the rights and brand names amounting to AED 113.4 million (2021: AED Nil) on business combinations.

The amortisation period for customer contracts and relationships in the Group is 3 to 29 years. Rights are amortised over their estimated useful lives which ranges from 3 to 30.

8 Right-of-use assets and lease liabilities

Right-of-use assets

	Lands AED'000	Port concession AED'000	Warehouses AED'000	Plant and Equipment AED'000	Total AED'000
Cost					
At 1 January 2021	86,205	391,461	252,071	74,646	804,383
Additions	2,884	-	-	-	2,884
At 1 January 2022	89,089	391,461	252,071	74,646	807,267
Acquisition through business combination during the year (note 34)	-	-	-	316,948	316,948
Additions	-	-	-	30,762	30,762
Transfer to property, plant and equipment (note 22 (ii))	-	-	-	(122,570)	(122,570)
At 31 December 2022	**89,089**	**391,461**	**252,071**	**299,786**	**1,032,407**
Accumulated depreciation					
At 1 January 2021	7,183	39,146	33,815	59,213	139,357
Charge for the year	1,767	11,184	16,964	3,394	33,309
Other movement	-	-	(808)	-	(808)
At 1 January 2022	8,950	50,330	49,971	62,607	171,858
Acquisition through business combination during the year (note 34)	-	-	-	25,314	25,314
Accumulated depreciation on transfer to property, plant and equipment	-	-	-	(10,563)	(10,563)
Charge for the year	1,724	11,185	16,964	16,087	45,960
At 31 December 2022	**10,674**	**61,515**	**66,935**	**93,445**	**232,569**
Carrying amount					
At 31 December 2022	**78,415**	**329,946**	**185,136**	**206,341**	**799,838**
At 31 December 2021	80,139	341,131	202,100	12,039	635,409

The Group leases land, warehouse and port infrastructure. The leases typically run for a period of 10 to 50 years, with an option to renew the lease after that date. The Group is restricted from entering into any sub-lease arrangements.

The Group leases IT equipment with contract terms of one to three years. These leases are short-term and/or leases of low-value items. The Group has elected not to recognise right-of-use assets and lease liabilities for these leases.

8 Right-of-use assets and leases liabilities (continued)

Amounts recognised in consolidated statement of profit or loss:

	2022 **AED'000**	2021 AED'000
Depreciation expense on right-of-use assets (note 25)	**45,960**	33,309
Interest expense on lease liabilities (note 27)	**40,649**	38,308
Expense relating to short-term leases	**13,602**	12,463
Expense relating to leases of low value assets	**8,722**	6,108

All the property leases in which the Group is the lessee contain fixed lease payment terms and there are no lease contracts with variable lease payments.

Lease liabilities

The movement in lease liabilities is as follows:

	2022 **AED'000**	2021 AED'000
At 1 January	**805,269**	830,449
Additions during the year	**30,977**	2,884
Acquisition through business combination during the year (note 34)	**195,146**	-
Interest expense for the year (Note 27)	**40,649**	38,308
Payments during the year	**(156,714)**	(66,372)
At 31 December	**915,327**	805,269

The Group does not face a significant liquidity risk with regard to its lease liabilities. Lease liabilities are monitored within the Group's treasury function.

Notes to the consolidated financial statements
for the year ended 31 December 2022 (continued)

8 Right of use assets and leases (continued)

Lease liabilities (continued)

The maturity analysis of lease liabilities is presented below.

	2022	2021
	AED'000	AED'000
Maturity Analysis:		
Year 1	**71,639**	94,440
Year 2	**73,380**	64,446
Year 3	**73,388**	66,013
Year 4	**64,069**	66,020
Year 5	**64,078**	57,637
Onwards	**1,158,195**	1,099,558
Balance at the end of the year	**1,504,749**	1,448,114
Less: future interest	**(589,422)**	(642,845)
	915,327	805,269

The current and non-current classification of lease liabilities as of the reporting date is as follows:

	2022	2021
	AED'000	AED'000
Current lease liabilities	**70,249**	91,809
Non-current lease liabilities	**845,078**	713,460
	915,327	805,269

9 Investment in joint ventures

Details of the Group's joint ventures at the end of the reporting period are as follows:

Joint ventures	**Percentage of ownership**		**Place of registration**
	2022	2021	
Abu Dhabi Terminals LLC (ADT)	**51%**	51%	UAE
K-Shipping Investment Ltd	**50%**	50%	UAE
ALM Shipping Management Ltd	**50%**	50%	UAE
Compagnie Des Chargeurs De Guinee SA	**50%**	50%	Guinea
Compagnie Maritime De Guinee SA	**50%**	50%	Guinea
ZonesCorp Infrastructure Fund (ZIF)	**50%**	50%	UAE

All of the above joint ventures are accounted for using the equity method in these consolidated financial statements as set out in the Group's accounting policies in note 3.

9 Investment in joint ventures (continued)

Movement in the investment in joint ventures during the year is as follows:

	2022 AED'000	2021 AED'000
At 1 January	**455,493**	428,730
Investments placed during the year	**-**	21,190
Share of profit for the year	**127,929**	29,248
Share of other comprehensive income for the year	**55,885**	37,136
Dividend received	**(27,066)**	(60,811)
At 31 December	**612,241**	455,493

Investment in Abu Dhabi Terminals LLC ("ADT")

Investment in Abu Dhabi Terminals LLC ("ADT") represents the Company's 51% ownership in ADT (container operations).

AD Ports sold 49% of ADT to Terminal Investment Limited SARL ("TIL") in accordance with a sale and purchase agreement dated 7 May 2018 ('the SPA'). Based on the SPA, the operations of ADT will be jointly managed and controlled by AD Ports and TIL. Consequently, AD Ports lost the control over ADT and derecognised the related assets and liabilities from its consolidated statement of financial position. The retained interest in ADT was accounted for as a joint venture amounting to AED 20.7 million including goodwill of container operations of AED 17.9 million. During the previous year, this goodwill was fully impaired and the carrying value of the investment was nil.

Investment in joint ventures with LDPL

On 15 June 2018, the Company and LDPL Ship Management & Operation DMCEST ("LDPL") signed undertakings agreeing to form the below joint ventures which will be jointly managed and operated by the Company and LDPL:

- K Shipping Investment Ltd ("K-Shipping");
- ALM Shipping Management Ltd ("ALM Shipping");
- Compagnie Des Chargeurs De Guinee SA ("CCG"); and
- Compagnie Maritime De Guinee SA ("CMG")

Together referred as "LDPL JV"

The main objective of these entities is to own and operate a number of vessels to manage the transshipments of certain materials from the port of Guinea to the mother vessels in the ocean for onward shipment to the UAE. The LDPL had signed contract on 16 April 2018 with Emirates Global Aluminium ("EGA") for the Transshipment business.

Further to that, the management concluded that the loans given to the joint ventures namely K Shipping Investment Ltd, ALM Shipping Management Ltd, Compagnie Des Chargeurs De Guinee SA and Compagnie Maritime De Guinee SA are extensions of the Group's investment in the joint ventures.

Notes to the consolidated financial statements for the year ended 31 December 2022 (continued)

9 Investment in joint ventures (continued)

Investment in ZonesCorp Infrastructure fund (“ZIF”)

On first June 2020, the Group acquired a 50% equity interest in ZonesCorp Infrastructure fund (“ZIF”). ZIF comprises 100% equity interests in four subsidiaries, ‘the Project Companies’, refer to note 20. ZIF is a closed investment fund domiciled in the United Arab Emirates ("UAE") and is governed under the authority of the Central Bank Board of Directors’ Resolution No. 164/8/94.

The Project Companies have signed agreements with the Group to construct and transfer the Industrial City of Abu Dhabi Extension Phases 1 and 2 in Abu Dhabi, the Al Ain Industrial City, and the Industrial City of Abu Dhabi Industrial Effluent Treatment Plant. All construction has been completed and there is currently no operations ongoing except for periodical invoicing and loan settlements.

Summary of the statements of financial position of the joint ventures is set out below:

			Joint ventures with			
	ADT		**LDPL**		**ZIF**	
	2022	2021	**2022**	2021	**2022**	2021
	AED’000	AED’000	**AED’000**	AED’000	**AED’000**	AED’000
Current assets	**259,001**	362,781	**103,597**	121,278	**354,660**	317,620
Non-current assets	**2,529,285**	2,641,993	**498,551**	522,290	**2,139,765**	2,150,564
Current liabilities	**(345,525)**	(248,417)	**(333,071)**	(354,612)	**(80,275)**	(77,458)
Non-current liabilities	**(2,933,657)**	(3,149,054)	**(328,306)**	(358,052)	**(1,261,798)**	(1,542,038)
(Net liabilities)/net assets	**(490,896)**	(392,697)	**(59,229)**	(69,096)	**1,152,352**	848,688
Group share of net assets	-	-	-	-	**576,176**	424,344
Other equity movements	-	-	**136,028**	131,112	**(99,963)**	(99,963)
Group's carrying amount in the joint ventures	-	-	**136,028**	131,112	**476,213**	324,381
Cash and bank balances	**118,342**	231,771	**25,823**	20,875	**75,766**	43,800
Financial liabilities (excluding trade payables and provisions)	**3,057,809**	(3,202,731)	**(613,362)**	(666,007)	**(1,331,854)**	(1,606,157)

9 Investment in a joint venture (continued)

Summarised statement of profit or loss and other comprehensive income is as follows:

	ADT		Joint ventures with LDPL		ZIF	
	2022 AED'000	2021 AED'000	**2022 AED'000**	2021 AED'000	**2022 AED'000**	2021 AED'000
Revenue	**351,579**	269,847	**221,762**	189,234	**248,307**	250,174
Direct costs	**(244,687)**	(270,632)	**(197,200)**	(186,356)	**-**	-
Administrative expenses	**(136,009)**	(33,843)	**(6,455)**	(30,511)	**(2,180)**	(12,909)
Finance costs	**(141,801)**	(130,663)	**(9,847)**	(10,759)	**(190)**	(61,944)
Other income	**16,540**	3,397	**1,577**	(569)	**85**	87
(Loss)/profit for the year	**(154,378)**	(161,894)	**9,837**	(38,961)	**246,022**	175,408
Group's share of (loss)/ Profit	-	(17,850)	**4,918**	(40,606)	**123,011**	87,704
Other comprehensive income	-	(21,044)	-	-	**111,770**	57,348
Share of other comprehensive income/(loss) for the year	-	15,535	-	-	**55,885**	21,601
Total comprehensive income/(loss) for the year	-	15,535	**4,918**	(40,606)	**178,896**	109,305

The above profit/(loss) for the year include the following:

	ADT		Joint ventures with LDPL		ZIF	
	2022 AED'000	2021 AED'000	**2022 AED'000**	2021 AED'000	**2022 AED'000**	2021 AED'000
Depreciation and Amortization	**(126,997)**	(129,445)	**(31,628)**	(44,846)	-	-
Interest income	-	-	-	87	**85**	87
Interest expense	**141,801**	(130,663)	**(9,847)**	(10,759)	**(190)**	(61,944)
The unrecognised share of loss of a joint venture for the year	**(78,733)**	(82,566)	-	-	-	-
Cumulative share of unrecognised losses	**(188,823)**	(110,090)	-	(15,263)	-	-

10 Investment in an associate

During the year, the parent undertaking of the Group, ADQ transferred 22.32% of ownership of Aramex PJSC as the shareholder’s contribution for no consideration. The Group recognised the transferred ownership as an investment in an associate as the Group determined that they have significant influence over the investment by virtue of representation on the Board of Directors. The Group recorded the transferred ownership at fair value of investment in associate at the acquisition date.

Movement in the balance of investment in associate is as follows:

	31 December 2022 AED’000
Balance at the beginning of the year	-
Transferred from parent entity during the year	1,307,295
Share of profit for the year	36,913
Share of other comprehensive loss for the year	(21,398)
Dividend received during the year	(42,485)
Balance at the end of the year	1,280,325

Summary of the statements of financial position of the associate is set out below:

	2022 AED’000
Current assets	2,189,571
Non-current assets	3,902,938
Current liabilities	(1,519,857)
Non-current liabilities	(2,054,264)
Net assets	2,518,388
Attributable to:	
Owners of the entity	2,509,523
Non-controlling interests	8,865
Group share of net assets	560,126
Goodwill	712,428
Other adjustments	7,771
Group's carrying amount in the associate	1,280,325
Cash and bank balances	758,954
Financial liabilities (excluding trade payables and provisions)	3,336,062

Notes to the consolidated financial statements
for the year ended 31 December 2022 (continued)

10 Investment in an associate (continued)

Summarised statement of profit or loss and other comprehensive income is as follows:

	2022 AED'000
Revenue	5,926,005
Direct costs	(4,501,701)
Administrative expenses	(1,181,383)
Finance costs	(72,773)
Finance income	4,933
Other income	15,979
Income tax expense	(25,674)
Profit for the year	**165,386**
Group's share of profit	36,913
Other comprehensive income of associate	**(134,657)**
Group's share of other comprehensive income	(30,055)
Other adjustments	8,657
Share of other comprehensive loss for the year	(21,398)
Total comprehensive loss for the year	**15,515**

The above profit for the year include the following:

	2022 AED'000
Depreciation and amortization	363,665
Interest income	4,933
Interest expense	(72,773)

Notes to the consolidated financial statements
for the year ended 31 December 2022 (continued)

11 Financial asset at fair value through other comprehensive income

The Group's financial assets at fair value through other comprehensive income ("FVOCI") comprise of strategic investments in equity securities that were irrevocably designated as measured at FVOCI. These investments in equity instruments are not held for trading. Instead, they are held for medium to long-term strategic purposes. Accordingly, the Directors of the Group have elected to designate these investments in equity instruments as at FVTOCI as they believe that recognising short-term fluctuations in these investments' fair value in profit or loss would not be consistent with the Group's strategy of holding these investments for long-term purposes and realising their performance potential in the long run.

Financial assets at FVOCI breakdown as at the end of the year comprises the following:

	31 December 2022 AED'000	31 December 2021 AED'000
Quoted equity security (i)	**2,019,600**	-
Unquoted debt and equity security (ii)	**58,788**	58,788
	2,078,388	58,788

(i) During the year, the parent undertaking of the Group, ADQ transferred 10% ownership in National Marine Dredging Company PJSC ("NMDC") as the shareholder's contribution for no consideration. The Group recognised the transferred ownership as a financial asset at FVTOCI and recorded the fair value of the security at the acquisition date.

(ii) The Group holds 10% ownership in CSP Abu Dhabi Terminal LLC, a container terminal operator operating from Khalifa Port.

Movement in the balance of financial assets at FVOCI is as follows:

	31 December 2022 AED'000	31 December 2021 AED'000
Balance at the beginning of the year	**58,788**	58,788
Transferred from parent entity during the year	**1,090,650**	-
Change in fair value recognised in other comprehensive income	**928,950**	-
Balance at the end of the year	**2,078,388**	58,788

The valuation methodology for these investments is disclosed in note 33.

12 Trade and other receivables

	2022 AED'000	2021 AED'000
Non-current portion		
Un-billed lease receivables	**2,309,214**	2,010,283
Less: loss allowance	**(195,485)**	(231,303)
	2,113,729	1,778,980
Current portion		
Trade receivables	**2,318,949**	1,413,940
Due from related parties (note 29)	**414,268**	560,253
Accrued income	**623,931**	385,636
	3,357,148	2,359,829
Less: loss allowance	**(598,561)**	(503,140)
	2,758,587	1,856,689
Receivable for Fujairah Port development (note 5)	**-**	493,196
Staff receivables	**28,984**	31,764
Other receivables	**134,493**	13,667
	2,922,064	2,395,316

The average credit period on rendering of services is 60-90 days. No interest is charged on outstanding trade receivables.

The Group has constructed improvements to Fujairah Port Infrastructure totaling to AED 500 million (31 December 2021: AED 493.2 million). The assets developed are funded by Ministry of Presidential Affairs and were disclosed under Receivable for Fujairah Port development (note 12) and Advances for Fujairah Port development project (note 23). During the year, the Group received communication from Ministry of Presidential Affairs to retain these assets and therefore these assets are transferred to "Property, plant and equipment" from Receivable and "Deferred government grants" (note 18) from "Advances for Fujairah Port development project" (note 23), respectively.

The Group always measures the loss allowance for trade receivables, due from related parties, accrued income and unbilled receivable at an amount equal to lifetime ECL. The expected credit losses on trade receivables including un-billed lease receivables, accrued income and due from related parties are estimated using a provision matrix by reference to past default experience of the debtors and an analysis of the debtors' current financial position, adjusted for factors that are specific to the debtors, general economic conditions of the industry in which the debtors operate and an assessment of both the current as well as the forecast direction of conditions at the reporting date. The Group has recognised a loss allowance of 100% against the individual customer balances identified as fully credit impaired and not recoverable.

12 Trade and other receivables (continued)

The Group writes off a trade receivable when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery. During the year, the Group has written off AED 82.7 million (2021: AED 82.6 million) subject to enforcement activities. The Group had assigned full impairment allowances for these trade receivables in previous years.

The following table details the risk profile of trade receivables based on the Group's provision matrix. As the Group's historical credit loss experience does not show significantly different loss patterns for different customer segments, the provision for loss allowance based on past due status is not further distinguished between the Group's different customer segments.

	Not past due AED'000	0 - 90 days AED'000	91 - 180 days AED'000	181 - 270 days AED'000	271 - 365 days AED'000	> 365 days AED'000	Individually assessed AED'000	Total AED'000
31 December 2022								
Total gross carrying amount	566,110	506,391	241,430	95,278	109,069	377,315	423,356	2,318,949
Expected credit loss rate (average)	3.02%	4.42%	6.73%	10.24%	12.20%	14.35%		
Lifetime ECL	17,084	22,367	16,240	9,756	13,308	54,157	423,356	556,268
31 December 2021								
Total gross carrying amount	382,473	157,009	67,664	75,123	90,285	254,131	387,255	1,413,940
Expected credit loss rate (average)	6.24%	2.96%	5.36%	7.28%	9.63%	14.13%		
Lifetime ECL	23,863	4,649	3,628	5,468	8,698	35,908	387,255	469,469

Movements in the allowance for impairment of trade and other receivables were as follows:

	Collectively assessed AED'000	Individually assessed AED'000	Total AED'000
At 1 January 2021	156,460	640,067	796,527
Net remeasurement of loss allowance	(55,647)	76,155	20,508
Amounts written off	-	(82,592)	(82,592)
At 1 January 2022	100,813	633,630	734,443
Net remeasurement of loss allowance	55,945	86,368	142,313
Amounts written off	-	(82,710)	(82,710)
At 31 December 2022	**156,758**	**637,288**	**794,046**

Out of total allowance for impairment of trade and other receivables, AED 201 million (2021: AED 265 million) is related to un-billed lease receivables, accrued income and due from related parties.

Notes to the consolidated financial statements
for the year ended 31 December 2022 (continued)

13 Prepayments and advances

	2022 AED'000	2021 AED'000
Non-current portion		
Prepaid expenses	**48,600**	45,600
Current portion		
Advance payments to contractors	**470,614**	363,869
Prepaid expenses	**126,125**	87,439
	596,739	451,308

14 Inventories

	2022 AED'000	2021 AED'000
Spare parts	**25,481**	33,175
Fuel	**35,038**	-
Less: provision for obsolete and slow-moving inventories	**(9,747)**	(7,915)
	50,772	25,260

The cost of inventories recognised as an expense during the year was AED 68 million (2021: AED 35 million).

Movements in the provision for obsolete and slow-moving inventories are as follows:

	2022 AED'000	2021 AED'000
At 1 January	**7,915**	6,705
Provided during the year (Note 26.1)	**1,832**	1,210
At 31 December	**9,747**	7,915

Notes to the consolidated financial statements
for the year ended 31 December 2022 (continued)

15 Cash and bank balances

Cash and cash equivalents are comprised of the following:

	2022 AED'000	2021 AED'000
Cash on hand	**4,255**	5,625
Fixed deposits and current accounts with banks	**786,567**	1,045,649
Cash and bank balances	**790,822**	1,051,274
Less: deposits with an original maturity of more than three months	**(45,087)**	(15,471)
Cash and cash equivalents	**745,735**	1,035,803

Fixed deposits with banks carried an average interest rate of 0.81% per annum (2021: 0.60% per annum).

Balances with banks are assessed to have low credit risk of default since these banks are highly regulated by the central banks of the respective countries. Accordingly, management of the Company estimates the loss allowance on balances with banks at the end of the reporting period at an amount equal to 12-month ECL. None of the balances with banks at the end of the reporting period are past due and taking into account the historical default experience and the current credit ratings of the bank, the management of the Company have assessed that there is no impairment, and hence have not recorded any loss allowances on these balances.

16 Share capital

	2022 AED'000	2021 AED'000
Authorised, issued and paid up capital		
5,090,000 ordinary shares of AED 1 each (2021: 384,000,000 ordinary shares of AED 10 each)	**5,090,000**	3,840,000

Movement in the balance is as follows:

	2022 AED'000	2021 AED'000
Balance at the beginning of the year	**3,840,000**	3,840,000
Additions during the year (1,250,000,000 shares issued of AED 1 each)	**1,250,000**	**-**
Balance at the end of the year	**5,090,000**	3,840,000

16 Share capital

During the year, the Group made its first equity placement through a pre-listing private placement of 1,250 million of ordinary shares. Nominal value of a share is AED 1 and issued at a price of AED 3.20 per share. Total cash received from the share subscription was AED 4,000 million with a premium of AED 2,750 million. ADQ will remain as the majority shareholder with 75.42% ownership in the Company's share capital.

17 Reserve

17(a) Statutory reserve

In accordance with the Articles of Association of the Company and in line with the provisions of the UAE Federal Decree Law No. 32 of 2021, the Company is required to transfer annually to a statutory reserve account an amount equal to 10% of its annual profit, until such reserve reaches 50% of the share capital of the Company.

17(b) Assets distribution reserve

As per the Executive Council resolution no. (108) of 2015, the Group should bear the cost of construction for certain Government Related Entities' ("GREs'') assets without requesting or obtaining any funds from the Government of Abu Dhabi. The Government of Abu Dhabi will compensate the Group by deducting the cost of these GREs' constructed assets from the future dividends to be declared annually.

17(c) Cash flow hedge reserve

	2022 **AED'000**	2021 AED'000
Balance at 1 January	**97,039**	134,175
Gain arising on changes in fair value of hedging instruments during the year	**(55,885)**	(37,136)
Balance at 31 December	**41,154**	97,039

The cash flow hedge reserve represents the cumulative amount of gains and losses on hedging instruments deemed effective in cash flow hedges. The cumulative deferred gain or loss on the hedging instrument is recognised in profit or loss only when the hedged transaction affects the profit or loss, or is included directly in the initial cost or other carrying amount of the hedged non-financial items (basis adjustment).

17(d) Merger reserve

On 1 June 2020, the President of United Arab Emirates issued Law No. (16) for 2020 (the "Law"). As per the law, The Higher Corporation for Specialized Economic Zones in the Emirate of Abu Dhabi ("ZonesCorp") was dissolved and all its assets, rights and obligations were transferred to AD Ports Group from its immediate parent company, Abu Dhabi Development Holding Company PJSC ("ADQ").

ZonesCorp was primarily involved in the leasing of residential buildings and industrial plots in the Industrial City of Abu Dhabi and Al Ain Industrial City and provision of foreign labour services. ZonesCorp commenced its commercial activities effective from 1 October 2004.

17 Reserve (continued)

17(d) Merger reserve (continued)

Pursuant to applicable law, the Group will establish, own, plan, manage and operate economic zones, as well as develop its infrastructure, and provide services required by facilities or companies to practice their activities in the economic zones, in cooperation with relevant authorities. It must also provide economic zones with technical, administrative, logistic and technological support.

In accordance with the policy, the Group has accounted for the acquisition of ZonesCorp at book value, electing for retrospective accounting, which resulted in the restatement of the balances for the year ended 31 December 2019. During the year ended December 31, 2020, an adjustment was made to the merger reserve to reflect any difference between the consideration paid for the acquisition of ZonesCorp and its net capital. The consideration adjustment was reflected in the period in which the transaction occurred during the year ended 31 December 2020.

18 Deferred government grants

The Group has recognised several grants from the Government of Abu Dhabi as stated below:

1. During the prior years, the Government of Abu Dhabi granted the Group non-monetary assets comprising land in Taweelah, the head office building, furniture and fixtures, warehouses, commercial ports and other ports assets in Abu Dhabi. These non-monetary government grants are recognised at a nominal value of AED 1.

   Granted warehouses and portions of office buildings that are held to earn rentals are classified as investment properties (note 6). The remainders of the granted assets are either held for owner-occupation or under development for future owner-occupation and accordingly are classified as property, plant and equipment (note 5).

2. On 13 December 2011 the Executive Council approved additional funding to the Group as compensation for certain assets constructed by the Group and in December 2013 the Group signed an agreement with the Government of Abu Dhabi, through the Department of Finance – Abu Dhabi ("DOF") in relation to those assets. The significant terms of the agreement are as follows:

   DOF reimbursed the Group for the cost of constructing the assets for an amount of AED 6 billion. AED 5 billion of this was provided as loan which was subsequently waived off by DOF, along with all due interest;

   - As part of the settlement agreement, the Group further received an amount of AED 1 billion during 2013;
   - DOF granted the Group the perpetual possession and perpetual enjoyment of the assets under the agreement; and
   - AD Ports has the perpetual right to:
     - Develop, alter, modify, construct or otherwise treat the assets as it deems fit; and
     - Manage, use and benefit from the assets in accordance with its articles of association and the Decree.

   Management has assessed the agreement with DOF and concluded that it represents a monetary government grant. As such, a government grant of AED 6 billion has been recognised in the consolidated statement of financial position.

18 Deferred government grants (continued)

3. During 2020, the Group received grants of AED 322.9 million related to construction of COVID- 19 related assets which mainly included a cold store and Razeen infrastructure.

4. Along with the transfer of the assets and liabilities of ZonesCorp to the Group during 2019, the Group has recognised government grant amounting to AED 223.8 million. There were further additions of AED 362.6 million during the year 2019. The closing balance of AED 498.5 million as at 31 December 2019 mainly included a grant amounting to AED 221.3 million received from Musanada, AED 90.3 million from the Executive Council and AED 186.8 million received from the DOF for specific projects.

5. During 2022 the Group received monetary grants of AED 21.6 million (2021: AED 56.7 million) from the parent and AED 300.3 million (2021: AED 38.3 million) from the DOF with the aim of financing the constructions of certain capital projects of the Group.

6. Government grants that are received to construct the assets and where construction of those assets is ceased, are transferred to the profit & loss upon completion of three years from the cessation of construction of assets or receipt of such government grants whichever is later.

7. The Group has constructed improvements to Fujairah Port Infrastructure totaling to AED 500 million (31 December 2021: AED 493.2 million). The assets developed are funded by Ministry of Presidential Affairs and were disclosed under Receivable for Fujairah Port development (note 12) and Advances for Fujairah Port development project (note 23). During the year, the Group received communication from Ministry of Presidential Affairs to retain these assets and therefore these assets are transferred to "Property, plant and equipment" from Receivable and "Deferred government grants" (note 18) from "Advances for Fujairah Port development project" (note 23) respectively.

Movement in the balance is as follows:

	2022 **AED'000**	2021 AED'000
At 1 January	**6,402,712**	6,460,688
Additions during the year	**821,942**	94,941
Amount recognised as revenue during the year (note 25)	**(383,042)**	(131,919)
Transferred to a related party	-	(20,998)
At 31 December	**6,841,612**	6,402,712

The current and non-current classification of deferred government grants is as follows:

	2022 **AED'000**	2021 AED'000
Current liability	**279,740**	131,919
Non-current liability	**6,561,872**	6,270,793
	6,841,612	6,402,712

Notes to the consolidated financial statements for the year ended 31 December 2022 (continued)

19 Provision for employees' end of service benefits

	2022 AED'000	2021 AED'000
At 1 January	**120,011**	97,323
Transferred through business combination (note 34)	**9,542**	-
Charged during the year	**37,211**	29,284
Paid during the year	**(9,456)**	(6,596)
At 31 December	**157,308**	120,011

20 Payable to the project companies

The balance is payable in relation to the following projects:

	2022 AED'000	2021 AED'000
Industrial City of Abu Dhabi (ICAD III)	**1,074,908**	1,094,058
Industrial City of Abu Dhabi (ICAD II)	**767,266**	755,343
Al Ain Industrial City (AAIC)	**333,738**	326,549
Industrial Effluent Treatment Plant (IETP)	**242,534**	248,122
	2,418,446	2,424,072

The movement in balance is as follows:

	2022 AED'000	2021 AED'000
At 1 January	**2,424,072**	2,429,047
Interest charge for the year (Note 27)	**248,307**	250,174
Payments during the year	**(253,933)**	(255,149)
At 31 December	**2,418,446**	2,424,072

20 Payable to the project companies (continued)

The current and non-current classification of payable to project companies is as follows:

	2022 **AED'000**	2021 AED'000
Current liability	**278,681**	273,508
Non-current liability	**2,139,765**	2,150,564
	2,418,446	2,424,072

Amounts payable to project companies owned by ZIF represent amounts payable towards costs of construction of Industrial City of Abu Dhabi Extension Phase I ('ICAD II'), Industrial City of Abu Dhabi Extension Phase II ('ICAD III'), Al Ain Industrial City ('AAIC') and Industrial Effluent Treatment Plant ('IETP') in accordance with agreements with ICAD II Limited LLC, ICAD III Limited LLC, AAIC Project LLC and ICAD Industrial Waste Treatment Services LLC, respectively (the "Project Companies").

The agreements oblige the project companies to:

- Design, develop and build ICAD II, ICAD III, AAIC and IETP;
- Operate and maintain IETP; and
- Finance the projects by obtaining bank borrowings or other funds.

In accordance with the restated agreements for ICAD II and ICAD III, and a variation order for AAIC, ZonesCorp has released the project companies from the obligation to operate and maintain the industrial cities.

Finance cost of AED 248.3 million (2021: AED 250.2 million) reflects the effective interest 9%-12% (2021: 9%-12%) on the amounts payable to project companies. The project companies have obtained borrowings from a bank to fund the construction of the above projects.

As per terms of the agreements, the Group shall make payments to the project companies for each contract month, which shall continue to occur during the tenure of the agreements as follows:

	Commencement date	**Maturity date**
Industrial City of Abu Dhabi (ICAD III)	26 October 2007	25 October 2037
Industrial City of Abu Dhabi (ICAD II)	14 February 2008	13 February 2038
Al Ain Industrial City (AAIC)	26 October 2009	25 October 2039
Industrial Effluent Treatment Plant	26 February 2009	25 February 2039

Payables to the project companies are measured under the amortised cost method, where the fair value approximates its present value.

21 Bond payable

The Company issued unsecured USD 1 billion 10-year bonds (the "Notes") under a Euro Medium Term Note Programme ("EMTN Programme"), which was jointly listed on the London Stock Exchange (LSE) and Abu Dhabi Securities Exchange (ADX). The Notes will mature on 6 May 2031 and carry a coupon of 2.5% per annum. Proceeds of the Notes will be used for general corporate purposes and debt refinancing. The settlement of the offering occurred on 6 May 2021 and the Group received cash of USD 979.2 million (AED 3,579.2 million). The par value of the bond was USD 1,000 million (AED 3,673.5 million) and was issued at a price below par resulting in net proceeds being lower by USD 20.8 million (AED 76.3 million).

The fair value of the bond payable as of 31 December 2022 is USD 829.16 million, which is equivalent to AED 3,046 million (2021: USD 1,000 million and AED 3,673.5 million).

As of 31 December 2022, unamortised prepaid transaction cost for the bond is AED 18.4 million (2021: AED 20.6 million) and unmortised discount is AED 65.1 million (2021: AED 71.9 million).

22 Bank borrowings

	2022	2021
	AED'000	AED'000
Non- current		
Term loan (ii)	**80,795**	-
Current		
Loan facility (i)	**1,395,698**	1,146,132
Total bank borrowings	**1,476,493**	1,146,132

(i) Loan facility

During 2021, the Group obtained an unsecured senior revolving credit facility with a credit limit of USD 1,000 million (AED 3,673.5 million) from a syndicate of local and international banks for the purpose of financing capital expenditure and general corporate purposes of the Group. The facility has a tenure of 3 years and an extension option of two years at one year increments and carries an effective interest rate of 0.85% over LIBOR depending on the facility utilisation. The terms of the agreement require the Group to maintain a minimum tangible net worth of AED 6 billion. As of the reporting date, the Group is in compliance with this financial covenant.

Notes to the consolidated financial statements
for the year ended 31 December 2022 (continued)

22 Bank borrowings (continued)

(ii) Term loan

During the year, a subsidiary of the Group obtained a secured medium-term loan with a value of USD 22 million (AED 80.8 million) from a local bank in Egypt for the purpose of early settlement of lease liabilities and subsequent capitalization of a vessel that was previously recorded as a right of use asset under IFRS 16. The loan carries an interest rate of 5.88%. The loan is repayable in quarterly instalments, with the first instalment commencing fifteen months after the loan draw down date. The entire balance outstanding has been classified as a non-current liability.

Reconciliation of borrowing movement to the cash flows arising from financing activities is as follows:

	2022 AED'000	2021 AED'000
At 1 January	**1,146,132**	4,050,000
Loans drawdown during the year	**1,476,493**	2,600,841
Loans repaid during the year	**(1,146,132)**	(5,504,709)
At 31 December	**1,476,493**	1,146,132

23 Trade and other payables

	2022 AED'000	2021 AED'000
Non-current portion		
Deferred income	**405,973**	259,937
Customer deposits	**100,315**	83,816
	506,288	343,753
Current portion		
Accrued expenses and construction related costs	**1,392,102**	1,190,830
Contractors and suppliers payables	**572,630**	158,290
Deferred income	**475,116**	240,483
Customer advances	**180,312**	116,051
Due to related parties (note 29)	**227,667**	233,928
Retentions payable	**61,861**	147,380
Other payables	**56,442**	47,628
Contingent and deferred consideration	**5,300**	-
Advances for Fujairah Port development project (note 12)	-	500,000
	2,971,430	2,634,590

The average credit period is 60 days. The Group has financial risk management policies in place to ensure that payables are paid within credit time frame.

24 Revenue

The Group derives its revenue from contracts with customers for the transfer of goods and services over time and at a point in time and also recognises rental income from its properties in the following major service lines. This disclosure is consistent with the revenue and rental income information that is disclosed for each reportable segment under IFRS 8 (note 31).

	2022 **AED'000**	2021 AED'000
Maritime services (a)	**2,136,972**	605,111
Economic Cities & Free Zones leasing (b)	**1,316,618**	1,289,730
Port concessions and leasing (c)	**547,943**	479,567
Ports operations (d)	**531,703**	548,374
Logistics operations (e)	**518,268**	588,371
Other Economic Cities & Free Zones services (f)	**333,168**	261,566
Digital services (g)	**113,164**	136,944
	5,497,836	3,909,663

a) Maritime services represent revenue from feedering, as well as transshipment and offshore support services within and outside UAE. Maritime mainly derives its revenue from port side service fees, feedering, offshore services, vessel chartering, underwater surveys and other general marine services.

b) Economic Cities & Free Zones leasing represents revenue earned from land leasing, warehousing and other built assets within KIZAD and ZonesCorp.

c) Ports concessions and leasing represents revenue from concessions granted for the container terminals at Khalifa Port, port infrastructure lease revenue and leasing revenue from land lease within the port areas.

d) Port operations represent revenue from general cargo, cruise and other operations within the different ports owned by the Group.

e) Logistics operations represent revenue earned from various logistics operations including freight forwarding, trucking and transportation.

f) Other Economic Cities & Free Zones services represents revenue earned from supply of gas to industrial zone customers and other miscellaneous services.

g) Digital services represent revenue from digital and technology development and support to external customers as well as foreign labor services.

Notes to the consolidated financial statements
for the year ended 31 December 2022 (continued)

24 Revenue (continued)

In the following table, revenue from contracts with customers is disaggregated by products and service lines and timing of revenue recognition.

a) Disaggregation of revenue from contracts with customers:

	2022 **AED'000**	2021 AED'000
Services transferred at a point in time		
Maritime services	**2,136,972**	604,101
Logistics operations	**518,268**	587,007
Ports operations	**531,703**	548,374
Digital services	**113,164**	136,944
Other Economic Cities & Free Zones services	**75,049**	29,136
	3,375,156	1,905,562
Services transferred over-time		
Other Economic Cities & Free Zones services related to lease contracts	**254,583**	232,430
Total revenue from contracts with customers	**3,629,739**	2,137,992

b) Disaggregation of revenue from rental income:

	2022 **AED'000**	2021 AED'000
Economic Cities & Free Zones leasing	**1,316,618**	1,289,730
Ports concessions and leasing	**547,943**	479,567
Other lease income	**3,536**	2,374
	1,868,097	1,771,671

Notes to the consolidated financial statements
for the year ended 31 December 2022 (continued)

25 Direct costs

	2022 AED'000	2021 AED'000
Depreciation of property, plant and equipment and investment properties (note 5 and 6)	**685,800**	428,266
Staff cost	**476,200**	346,768
Vessel operating cost	**348,643**	65,591
Repair & maintenance cost	**280,618**	303,989
Fuel costs	**280,122**	90,093
Warehousing & handling cost	**266,299**	151,260
Utility cost	**227,077**	213,021
Trucking & transportation cost	**197,460**	331,439
Equipment hire	**121,058**	6,108
Non-vessel container carrier operating cost	**62,555**	-
Insurance & consultancy costs	**53,831**	30,175
Amortisation of intangible assets (note 7)	**53,160**	10,690
Outsourcing and external manpower	**51,996**	61,425
Amortization of right-of-use assets (note 8)	**45,960**	33,309
Application license & maintenance cost	**31,566**	25,889
Marine port costs	**29,143**	-
Other operating cost	**18,807**	12,814
Foreign labor service charge	**18,156**	31,754
	3,248,451	2,142,591
Less: Government grants (note 18)	**(383,042)**	(131,919)
	2,865,409	2,010,672

26.1 General and administrative expenses

	2022 AED'000	2021 AED'000
Staff cost	**532,750**	426,227
Outsourcing and external manpower	**128,006**	83,970
Professional fees	**110,204**	36,885
Depreciation of property, plant and equipment (note 5)	**103,253**	73,828
Other expenses	**22,677**	7,160
Facility management	**21,088**	18,360
Administration	**20,104**	7,434
Communication expenses	**12,589**	11,738
Car rental and fuel expenses	**10,905**	4,683
Licensing and subscriptions	**8,284**	4,664
IT expenses	**6,004**	3,019
Insurance	**3,987**	1,832
Utilities	**2,833**	1,787
Provision for slow moving inventories (note 14)	**1,832**	1,210
	984,516	682,797

The Group made social contributions amounting to AED 2.5 million during the year ended 31 December 2022 (2021: AED 1.7 million).

26.2 Staff cost

Staff costs of the Group comprised as follows:

	2022 AED'000	2021 AED'000
Salaries, bonuses and other benefits	**874,621**	739,411
Outsourced manpower and staffing costs	**268,155**	145,395
Employees' end of service benefits (note 19)	**37,211**	29,284
Staff training and development costs	**5,865**	4,419
	1,185,852	918,509

The Group has made pension contributions amounting to AED 53.1 million (2021: AED 42.2 million) in respect of UAE national employees to the Abu Dhabi Retirement Pensions and Benefits Fund in accordance with Law No. (2), 2000 of the Emirate of Abu Dhabi.

Notes to the consolidated financial statements
for the year ended 31 December 2022 (continued)

26.2 Staff cost (continued)

	2022 AED'000	2021 AED'000
Staff costs are allocated to:		
Direct costs	**525,097**	408,259
General and administrative expenses	**660,755**	510,250
	1,185,852	918,509

27 Finance cost

	2022 AED'000	2021 AED'000
Unitary payment to the project companies (note 20)	**248,307**	250,174
Interest on bond payable	**100,771**	66,061
Finance cost of lease liabilities (note 8)	**40,649**	38,308
Interest on bank borrowing	**23,818**	23,134
Other finance costs	**15,803**	25,170
Total interest expense	**429,348**	402,847
Less: amounts included in the cost of qualifying assets (note 5)	**(35,240)**	(61,003)
	394,108	341,844

Borrowing costs included in the cost of qualifying assets during the year arose on the general borrowing pool and are calculated by applying a capitalisation rate of 0.51% (2021: 1.65%) to expenditure on such assets.

28 Other income, net

	2022 AED'000	2021 AED'000
Other income	**7,535**	17,024
Gain/(loss) on disposal of property, plant and equipment	**1,972**	(7,153)
	9,507	9,871

29 Related party balances and transactions

In the ordinary course of business, the Group enters into transactions at agreed terms and conditions which are carried out on commercially agreed terms, with other business enterprises or individuals that fall within the definition of a related party contained in International Accounting Standard 24. Related parties comprise shareholders, Directors, key management staff, and business entities in which they have the ability to control or exercise significant influence in financial and operating decisions.

Balances and transactions between the Company and its subsidiaries, which are related parties, have been eliminated on consolidation and are not disclosed in this note. Transactions and balances with other related parties are disclosed in below note.

Terms and conditions of transactions with related parties

The services to and from related parties are made at normal market prices.

Balances with these related parties generally arise from commercial transactions in the normal course of business on an arm's length basis. The amounts outstanding are unsecured and will be settled in cash. No guarantees have been given or received.

Balances with related parties reflected in the consolidated statement of financial position at the reporting date comprised:

	2022 AED'000	2021 AED'000
Due from related parties (note 12):		
Joint ventures		
Abu Dhabi Terminals Company LLC	**46,418**	4,380
Entities under common control		
Department of Finance – Abu Dhabi	**20,564**	169,077
National Marine Dredging Company	**-**	132,971
Abu Dhabi Police	**8,562**	-
Abu Dhabi Polymers Co. Ltd (Borouge)	**27,252**	86,388
Emirates Steel Industries Co. PJSC	**64,323**	57,665
Department of Municipalities and Transport	**11,018**	32,000
Abu Dhabi National Oil Company	**111,249**	20,053
Aramex PJSC	**163**	-
Rafed Healthcare Supplies LLC	**10,435**	19,849
CMA Terminal Khalifa LLC	**47,712**	-
General Headquarter Armed Forces	**3,485**	10,319
Silal Food and Technology LLC	**32**	7,515
Other entities controlled by the Government of Abu Dhabi	**63,055**	20,036
	367,850	555,873
	414,268	560,253

Notes to the consolidated financial statements
for the year ended 31 December 2022 (continued)

29 Related party balances and transactions (continued)

Balances with related parties (continued)

	2022 AED'000	2021 AED'000
Accrued income (note 12)		
Parent Company		
Abu Dhabi Developmental Holding ("ADQ")	**2,466**	235,923
Joint venture		
Abu Dhabi Terminals Company LLC	**26,504**	44,939
Entities under common control		
Abu Dhabi Police	**119,450**	-
Abu Dhabi National Oil Company	**513**	18,500
Department of Municipalities and Transport	**31,764**	11,003
Lulu International Holding Limited (Group)	**-**	4,880
Rafed Healthcare Supplies LLC	**1,516**	2,105
Other entities controlled by the Government of Abu Dhabi	**12,526**	395
	165,769	36,883
	194,739	317,745
Unbilled lease receivables (note 12)		
Joint venture		
Abu Dhabi Terminals Company LLC	**286,269**	262,901
Entities under common control		
Other entities controlled by the Government of Abu Dhabi	**71,546**	50,687
	357,815	313,588

Notes to the consolidated financial statements
for the year ended 31 December 2022 (continued)

29 Related party balances and transactions (continued)

Balances with related parties (continued)

	2022 AED'000	2021 AED'000
Prepayments and advances (note 13) (continued)		
Joint venture		
Abu Dhabi Terminals Company LLC	**48,600**	60,800
Entities under common control		
National Marine Dredging Company	**-**	226,516
National Health Insurance Company PJSC (Daman)	**3,544**	2,290
	3,544	228,806
	52,144	289,606
Cash and bank balances (note 15)		
Entity under common control		
Banks controlled by the Government of Abu Dhabi	**573,387**	1,028,053
Investment in joint ventures (note 9)	**612,241**	455,493
Impairment loss on financial assets and unbilled lease receivable (note 12)	**32,382**	42,263
Due to related parties (note 23)		
Parent Company		
Abu Dhabi Developmental Holding	**646**	323
Joint venture		
Abu Dhabi Terminals Company LLC	**9,228**	7,876
Entities under common control		
Department of Finance – Abu Dhabi	**98,314**	98,314
Abu Dhabi National Oil Company	**30,551**	29,540
Abu Dhabi Retirement Pensions & Benefits Fund	**7,674**	3,019
Other entities controlled by the Government of Abu Dhabi	**81,254**	94,856
	217,793	225,729
	227,667	233,928

Notes to the consolidated financial statements
for the year ended 31 December 2022 (continued)

29 Related party balances and transactions (continued)

	2022 AED'000	2021 AED'000
Retention payable (note 23)		
Entity under common control		
National Marine Dredging Company	**-**	65,469
Payable to the project companies (note 20)		
Joint venture		
ZonesCorp Infrastructure Fund	**2,418,446**	2,424,072
Deferred government grants (note 18)		
Ultimate controlling undertaking		
Government of Abu Dhabi	**6,648,395**	6,064,640
Parent Company		
Abu Dhabi Developmental Holding	**193,216**	338,072
	6,841,611	6,402,712
Borrowings (note 22)		
Entities under common control		
First Abu Dhabi Bank	**279,140**	229,226
Accrued expenses, customers deposits and advances and other payables (note 23)		
Entities under common control		
Abu Dhabi National Oil Company	**22,745**	10,170
Other entities controlled by the Government of Abu Dhabi	**10,409**	8,841
	33,154	19,011
Owner's contribution		
Parent Company		
Abu Dhabi Developmental Holding	**4,467,655**	2,069,710

Notes to the consolidated financial statements for the year ended 31 December 2022 (continued)

29 Related party balances and transactions (continued)

Significant transactions with related parties are as follows:

	2022 AED'000	2021 AED'000
Revenue (Note 24)		
Parent Company		
Abu Dhabi Developmental Holding	**14,976**	301,264
Joint venture		
Abu Dhabi Terminals Company LLC	**169,208**	171,018
Entities under common control		
Abu Dhabi Police	**329,575**	-
Abu Dhabi Polymers Co. Ltd (Borouge)	**76,108**	359,591
National Marine Dredging Company	**-**	250,998
Emirates Steel Industries Co. PJSC	**188,633**	169,295
Abu Dhabi National Oil Company	**322,800**	91,648
Rafed Healthcare Supplies LLC	**7,508**	44,910
Department of Municipalities and Transport	**143,626**	34,898
Silal Food and Technology LLC	**5,817**	21,723
Department of Finance – Abu Dhabi	**1,416**	12,405
General Headquarter Armed Forces	**1,186**	9,085
Other entities controlled by the Government of Abu Dhabi	**104,506**	91,089
	1,181,175	1,085,642
	1,365,359	1,557,924

Notes to the consolidated financial statements
for the year ended 31 December 2022 (continued)

29 Related party balances and transactions (continued)

Significant transactions with related parties (continued)

	2022 AED'000	2021 AED'000
Capital work-in-progress transferred to government grants (note 18)		
Entity under common control		
Entity controlled by the Government of Abu Dhabi	-	20,998
Transactions with joint ventures (note 9)		
Investments made during the year	-	21,190
Share of profit for the year	**127,929**	29,248
Share of other comprehensive income for the year	**55,885**	37,136
Dividend received	**27,066**	60,811
Expected credit loss allowance on trade and other receivables for entities under common control (note 12)		
Write off during the year	**99**	71,510
Capital contributions received		
Parent Company		
Abu Dhabi Developmental Holding	**2,397,945**	2,036,367
Government grants related transactions (note 18)		
Grant received during the year	**821,942**	94,941
Amount recognised during the year	**383,042**	131,919
Transfers to a related party	-	20,998

Notes to the consolidated financial statements for the year ended 31 December 2022 (continued)

29 Related party balances and transactions (continued)

Significant transactions with related parties (continued)

	2022 AED'000	2021 AED'000
Project payable related transactions with a joint venture- ZonesCorp Infrastructure Fund (note 20)		
Finance cost during the year	**248,307**	250,174
Payments made during the year	**253,933**	255,149
Bank borrowing related transactions with bank controlled by the Government of Abu Dhabi (note 22)		
Loan drawdown during the year	**279,140**	520,168
Repayments during the year	**1,146,132**	5,504,709
Finance costs during the year	**23,818**	39,421
Advance payment made to a joint venture		
Abu Dhabi Terminals Company LLC	**48,600**	76,000
Settlement of loan given to a related party		
Abu Dhabi Developmental Holding	**-**	700,000
Key management compensation		
Short term employee benefits	**52,509**	42,629
Long term employee benefits	**1,085**	1,506
	53,594	44,135
Staff loans and advances provided to key management personnel	**946**	1,482

29 Related party balances and transactions (continued)

Significant transactions with related parties (continued)

Owner's contribution

Owner's contribution comprised of the following:

i) Cash flows provided by the immediate parent to finance the Group's expansion and working capital requirements; and
ii) Transfer of certain assets by the immediate parent to the Company.

These contributions are provided without any obligation for the Company to deliver cash or other financial assets or deliver its own equity instruments of the Company.

30 Basic and diluted earnings per share

Basic earnings per share are calculated by dividing profit for the period attributable to ordinary equity holders of the Company by the weighted average number of ordinary shares outstanding during the period. As there are no dilutive instruments outstanding, basic and diluted earning per share are identical. The calculation of basic and diluted earnings per share attributable to the owners of the Company is given below.

	2022	2021
Earnings (AED'000)		
Earnings for the purpose of basic and diluted earnings per share (profit for the year attributable to owners of the Group)	**1,248,342**	845,694
Weighted average number of share ('000)		
Weighted average number of ordinary shares for the purpose of basic and diluted earnings per share	**4,959,863**	3,840,000
Basic and diluted earnings per share attributable to owners of the Group in AED	**0.25**	0.22

During the year, the equity shares of the Company were split / sub-divided such that each equity share having face value of AED 10/- fully paid-up, was sub-divided into ten (10) equity shares having face value of AED 1/- each, fully paid-up with effect from January 2022. The Earnings Per Share (EPS) figures of the current year and comparative year presented above have been restated retrospectively to give effect of the share split.

31 Segment information

Information reported to the Group's Chief Executive Officer (the Chief Operating Decision Maker (CODM)) for the purposes of resource allocation and assessment of segment performance is focused on the category of customer for each type of activity. The operating segments are organised and managed separately according to the nature of the products and services provided, with each segment representing a strategic operating unit that offers different products and serves different markets.

Operating segments

For management purposes, the Group is currently organised into six major operating segments. These segments are the basis on which the Group reports its primary segmental information. These are:

- **Ports**, which owns or operates ports and terminals in the region. Ports cluster mainly derives its revenue from general cargo operations, container terminal concessions and port infrastructure leases.

- **Economic Cities & Free Zones (EC&FZ)**, which principally operates KEZAD and other industrial cities following the integration of ZonesCorp in 2020. Economic Cities & Free Zones mainly derives its revenue from lease of land, warehouses, and other utility services.

- **Logistics**, which provides a range of logistical services, such as transportation, warehouse, freight forwarding, supply chain services and cargo handling services along with other value added services. Logistics mainly derives its revenue from warehouse management, freight forwarding and cargo services.

- **Maritime**, which provides a range of marine services, including feedering, as well as transshipment and offshore support services within and outside UAE. Maritime mainly derives its revenue from port side service fees, feedering, offshore services, vessel chartering, underwater surveys and other general marine services. Maritime also operate international container shipping lines from Egypt that primarily operates in the Middle East, the Red sea regions,

- **Digital**, which provides digital services to external customers through Maqta Gateway as well as services to the Group's other segments. Digital mainly derives its revenue from digitalisation of transactional services, software development and other support services.

- **Corporate**, responsible for managing investments held by the Group, development of infrastructure assets for other segments, management of administrative activities for the segments and general coordination of the Group's activities.

The accounting policies of the reportable segments are the same as the Group's accounting policies described in note 3. Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocations and performance management. Segment performance is measured based on adjusted EBITDA. Adjusted EBITDA is calculated by adjusting net profit for the period from continuing operations by excluding the impact of taxation, net finance costs, depreciation, amortisation, revenue from government grant amortisation and impairment related to goodwill, intangible assets, property and plant and equipment and investment properties. The Group's management reporting process allocates intra-Group profit on a product sale to the market in which that sale is recorded.

Notes to the consolidated financial statements for the year ended 31 December 2022 (continued)

31 Segment information (continued)

	Ports AED'000	EC&FZ AED'000	Logistics AED'000	Maritime AED'000	Digital AED'000	Corporate AED'000	Eliminations AED'000	Total AED'000
31 December 2022								
External revenue	1,081,914	1,646,249	518,268	2,138,242	113,163	-	-	5,497,836
Inter segment revenue	53,450	11,433	13,375	2,324	287,019	264	(367,865)	-
Total revenue	**1,135,364**	**1,657,682**	**531,643**	**2,140,566**	**400,182**	**264**	**(367,865)**	**5,497,836**
Direct costs	(394,783)	(449,625)	(465,063)	(1,515,350)	(67,688)	(187,528)	214,628	(2,865,409)
Gross profit/(loss)*	**740,581**	**1,208,057**	**66,580**	**625,216**	**332,494**	**(187,264)**	**(153,237)**	**2,632,427**
General and administrative expenses	(260,660)	(109,138)	(44,948)	(195,919)	(122,427)	(323,359)	71,935	(984,516)
Impairment losses (including reversals of impairment losses) on financial assets and unbilled lease receivables	(3,105)	(121,264)	2,267	(18,111)	(2,554)	454	-	(142,313)
Selling and marketing expenses	(5,467)	(18,319)	(1,688)	(7,489)	(823)	(49,189)	-	(82,975)
Share of profit from joint ventures	-	123,011	-	4,918	-	-	-	127,929
Share of profit from associate	-	-	36,913	-	-	-	-	36,913
(Impairment and write off)/reversal of impairment on investment properties	-	(4,553)	-	-	-	-	-	(4,553)
Finance income	951	308	(1,455)	366	-	14,946	-	15,116
Finance costs	(30,160)	(265,734)	(3,332)	(7,074)	(1)	(90,370)	2,563	(394,108)
Gain on disposal of assets held for sale	-	-	73,000	-	-	-	-	73,000
Other income, net	1,895	55	951	6,546	(0)	60	-	9,507
Income tax expense on foreign operations	(220)	-	-	(1,794)	-	-	-	(2,014)
Net profit/(loss) for the year	**443,815**	**812,423**	**128,288**	**406,659**	**206,689**	**(634,722)**	**(78,739)**	**1,284,413**
Adjustment for:								
Finance costs	30,160	265,734	3,332	7,075	1	90,371	(2,565)	394,108
Finance income	(951)	(308)	1,455	(366)	-	(14,946)	-	(15,116)
Depreciation of property, plant and equipment, investment properties	274,118	231,070	43,813	190,724	11,122	38,206	-	789,053
Amortisation of right-of-use assets and intangible assets	14,786	20,357	10,782	54,063	-	-	(880)	99,108
Government grants amortisation	(123,596)	(247,296)	-	(12,150)	-	-	-	(383,042)
(Impairment and write off)/reversal of impairment on investment properties	-	4,553	-	-	-	-	-	4,553
Income tax expense on foreign operations	220	-	-	1,794	-	-	-	2,014
Adjusted EBITDA	**638,552**	**1,086,533**	**187,670**	**647,799**	**217,812**	**(521,091)**	**(82,184)**	**2,175,091**

* Gross profit/(loss) is not segment performance and inter-segment sales are charged at prevailing market prices.

Notes to the consolidated financial statements for the year ended 31 December 2022 (continued)

31 Segment information (continued)

	Ports AED'000	EC&FZ AED'000	Logistics AED'000	Maritime AED'000	Digital AED'000	Corporate AED'000	Eliminations AED'000	Total AED'000
31 December 2021								
External revenue	1,027,941	1,551,296	588,371	605,111	136,944	-	-	3,909,663
Inter segment revenue	34,867	17,057	18,267	1,569	222,773	-	(294,533)	-
Total revenue	1,062,808	1,568,353	606,638	606,680	359,717	-	(294,533)	3,909,663
Direct costs	(438,849)	(664,801)	(438,120)	(426,609)	(81,906)	(176,425)	216,038	(2,010,672)
Gross profit/(loss)*	623,959	903,552	168,518	180,071	277,811	(176,425)	(78,495)	1,898,991
General and administrative expenses	(164,521)	(54,880)	(26,656)	(80,124)	(88,543)	(268,283)	210	(682,797)
Impairment losses (including reversals of impairment losses) on financial assets and unbilled lease receivable	19,920	(15,441)	(682)	1,330	(25,635)	-	-	(20,508)
Selling and marketing expenses	(53)	(3,921)	(6,967)	(3,206)	(627)	(51,283)	-	(66,057)
Share of profit/(loss) from joint ventures	(17,850)	87,704	-	(40,606)	-	-	-	29,248
Reversal of impairment of investment properties	-	25,813	-	-	-	-	-	25,813
Finance costs	(27,402)	(268,358)	(3,332)	(48)	(2)	(45,495)	2,793	(341,844)
Finance income	-	51	1,263	15	-	(702)	-	627
Other income, net	(7,168)	43	1,463	15,507	-	26	-	9,871
Profit/(loss) for the year	426,885	674,563	133,607	72,939	163,004	(542,162)	(75,492)	853,344
Adjustment for:								
Finance costs	27,402	268,358	3,332	48	2	45,495	(2,793)	341,844
Finance income	-	(51)	(1,263)	(15)	-	702	-	(627)
Depreciation of property, plant and equipment, investment properties	208,016	164,916	42,921	51,704	8,668	26,823	(954)	502,094
Amortisation of right-of-use assets and intangible assets	13,814	20,400	9,785	-	-	-	-	43,999
Government grants amortisation	(107,324)	(20,755)	-	(3,840)	-	-	-	(131,919)
Impairment of non-financial assets	17,850	-	-	-	-	-	-	17,850
Reversal of impairment of investment properties	-	(25,813)	-	-	-	-	-	(25,813)
Adjusted EBITDA	586,643	1,081,618	188,382	120,836	171,674	(469,142)	(79,239)	1,600,772

Gross profit/(loss) is not segment performance and inter-segment sales are charged at prevailing market prices.

Notes to the consolidated financial statements
for the year ended 31 December 2022 (continued)

31 Segment information (continued)

The segment assets and liabilities and capital expenditures are as follows:

	Ports AED'000	EC&FZ AED'000	Logistics AED'000	Maritime AED'000	Digital AED'000	Corporate AED'000	Eliminations AED'000	Total AED'000
31 December 2022								
Total assets	**25,767,734**	**13,377,006**	**4,405,348**	**11,261,583**	**1,749,354**	**39,158,850**	**(57,207,884)**	**38,511,991**
Total liabilities	**24,315,459**	**10,374,429**	**4,099,515**	**9,327,521**	**1,493,793**	**26,320,667**	**(57,054,526)**	**18,876,858**
Capital expenditures*	-	-	-	-	-	**5,291,829**	-	**5,291,829**
31 December 2021								
Total assets	12,542,051	6,883,366	1,036,794	1,716,190	261,877	12,807,989	(7,099,759)	28,148,508
Total liabilities	11,263,311	4,513,383	699,080	1,210,613	36,357	6,759,394	(7,024,578)	17,457,560
Capital expenditures*	-	-	-	-	-	2,923,899	-	2,923,899

Notes to the consolidated financial statements for the year ended 31 December 2022 (continued)

31 Segment information (continued)

Capital expenditures

Capital expenditure is incurred by the corporate on behalf of other segments and assets are transferred to the segments upon completion.

Geographical information

The Group is principally operating in two geographical segments, i.e., United Arab Emirates and Egypt:

	2022 AED'000	2021 AED'000
Revenue (Note 24)		
United Arab Emirates	**5,363,965**	3,909,663
Egypt	**133,871**	-
Total revenue	**5,497,836**	3,909,663
Assets		
United Arab Emirates	**37,565,159**	28,148,508
Egypt	**946,832**	-
Total assets	**38,511,991**	28,148,508
Liabilities		
United Arab Emirates	**18,584,852**	17,457,560
Egypt	**292,006**	-
Total liabilities	**18,876,858**	17,457,560

Revenues from major products and services

The Groups revenues from its major services are disclosed in note 24.

Information about major customers

Included in revenues arising from EC&FZ (2021: Logistics) segment was approximately AED 330 million (2021: AED 335 million) from sales to the Group's largest customer. No other single customer contributed 10% or more of the Group's revenue in either 2022 or 2021.

32 Contingent liabilities and commitments

Contingent liabilities

	2022 AED AED'000	2021 AED AED'000
Bank guarantees	**157,802**	89,805
Financial guarantees	**367,500**	508,793

The Group's policy is to provide financial guarantees for subsidiaries and joint ventures' liabilities. The Group has the following guarantees in effect as at the reporting date.

i) The Group has issued guarantee in 2019 to Abu Dhabi Commercial Bank PJSC in respect of credit facility granted to its joint venture ADT, equal to 50% of the principal amount of the facility then outstanding, such aggregate amount shall not exceed AED 367.5 million, which is the maximum amount the Group is exposed to.

ii) The Group issued guarantee in 2019 to Societe Generale in respect of credit facility granted to its joint venture K Shipping Investments Ltd, equal to 50% of the principal amount of the facility then outstanding, such aggregate amount not to be exceeding USD 38.4 million, which is the maximum amount the Group was exposed to. Societe Generale released the Group from the guarantee related obligations on 5th July 2022.

Commitments

	2022 AED'000	2021 AED'000
Commitments for fixed assets	**1,467,320**	1,093,449
Commitments for investments	**5,400,000**	215,322

i) On 3 November 2022, the Group announced that it has signed an agreement to acquire 80 % of ownership in Global Feeder Shipping (GFS), a global container shipping company. Purchase consideration for this acquisition will be AED 2,900 million subject to fulfilment of conditions precedent in the agreement. GFS has built one of the largest fleets of container ships globally, featuring 26 owned and operated vessels with a total capacity of 72,500 TEUs, covering the Middle East, Indian Subcontinent and Southeast Asia regions. Upon completion, the acquisition will be accounted for as a business combination as per the requirements of IFRS 3 as the Group will assume control over the investee.

ii) On 18 November 2022, the Group announced that it has signed an agreement to acquire 100 % of ownership in Noatum Propels, a global integrated logistics platform. Purchase consideration for this will be AED 2,500 million subject to fulfilment of conditions precedent in the agreement. Noatum is a global integrated logistics player with presence in 26 countries and operates in three business areas – Logistics, Maritime, and Port Terminals with market-leading positions in Spain and Turkey and a significant presence in the US, UK, China, and Southeast Asia. Upon completion, the acquisition will be accounted for as a business combination as per the requirements of IFRS 3 as the Group will assume control over the investee.

Notes to the consolidated financial statements
for the year ended 31 December 2022 (continued)

32 Contingent liabilities and commitments (continued)

Operating lease arrangements

The Group as lessor

Operating leases, in which the Group is the lessor, relate to investment property owned by the Group with lease terms of between 1 to 5 years. All operating lease contracts contain market review clauses in the event that the lessee exercises its option to renew. The lessee does not have an option to purchase the property at the expiry of the lease period.

The unguaranteed residual values do not represent a significant risk for the Group, as they relate to property which is located in a location with a constant increase in value over the last 10 years. The Group did not identify any indications that this situation will change.

33 Financial instruments

Significant accounting policies

Details of the significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each class of financial asset, financial liability and equity instrument are disclosed in note 3 to the consolidated financial statements.

Notes to the consolidated financial statements
for the year ended 31 December 2022 (continued)

33 Financial instruments (continued)

Categories of financial instruments

	Financial assets		Financial liabilities		Hierarchy levels			
	FVTOCI AED	**Amortised cost AED**	**Amortised cost AED**	**Total AED**	**1 AED**	**2 AED**	**3 AED**	**Total AED**
31 December 2022								
Cash and bank balances	-	**790,822**	-	**790,822**	-	-	-	-
Trade and other receivables	-	**5,006,809**	-	**5,006,809**	-	-	-	-
Investment in FVOCI	**2,078,388**	-	-	**2,078,388**	**2,019,600**	-	**58,788**	**2,078,388**
Bank borrowings	-	-	**1,476,493**	**1,476,493**	-	-	-	-
Bond payable	-	-	**3,589,954**	**3,589,954**	-	-	-	-
Trade and other payables	-	-	**2,416,317**	**2,416,317**	-	-	-	-
Payable to project companies	-	-	**2,418,446**	**2,418,446**	-	-	-	-
Total	**2,078,388**	**5,797,631**	**9,901,210**		**2,019,600**	-	**58,788**	
31 December 2021								
Cash and bank balances	-	1,051,274	-	1,051,274	-	-	-	-
Trade and other receivables	-	3,649,336	-	3,649,336	-	-	-	-
Investment in FVOCI	58,788	-	-	58,788	-	-	58,788	58,788
Bank borrowings	-	-	1,146,132	1,146,132	-	-	-	-
Bond payable	-	-	3,581,021	3,581,021				
Trade and other payables	-	-	1,861,871	1,861,871	-	-	-	-
Payable to project companies	-	-	2,424,072	2,424,072	-	-	-	-
Total	58,788	4,700,610	9,013,096				58,788	

Notes to the consolidated financial statements for the year ended 31 December 2022 (continued)

33 Financial instruments (continued)

Reconciliation of liabilities arising from financing activities

The below table details changes in the Company's liabilities arising from financing activities, including both cash and non-cash changes

	At 1 January 2022	Financing cash flows	Non- cash changes (other movements)					At 31 December 2022
			Amortisation of discounts	Amount recognised as revenue during the year	Termination	Interest charge	Acquisitions	
	AED'000	AED'000	AED'000	AED'000	AED'000	AED'000	AED'000	AED'000
Bank borrowings	1,146,132	330,361	-	-	-	-	-	**1,476,493**
Bond payable	3,581,021	-	8,933	-	-	-	-	**3,589,954**
Deferred government grants	6,402,712	821,942		(383,042)	-	-	-	**6,841,612**
Payable to the project companies	2,424,072	(253,933)	-	-	-	248,307	-	**2,418,446**
Lease liabilities	805,269	(64,304)	-	-	(61,295)	40,649	195,008	**915,327**
Total liabilities from financing activities	**14,359,206**	**834,066**	**8,933**	**(383,042)**	**(61,295)**	**288,956**	**195,008**	**15,241,832**

**Notes to the consolidated financial statements
for the year ended 31 December 2022 (continued)**

33 Financial instruments (continued)

Reconciliation of liabilities arising from financing activities (continued)

	At 1 January 2021	Financing cash flows	Non- cash changes (other movements)					At 31 December 2021
			Amortisation of discounts	Amount recognised as revenue during the year	Transfers to a related party	Interest charge	Additions	
	AED'000	AED'000	AED'000	AED'000	AED'000	AED'000	AED'000	AED'000
Bank borrowings	4,050,000	(2,903,868)	-	-	-	-	-	1,146,132
Bond payable	-	3,575,165	5,856	-	-	-	-	3,581,021
Deferred government grants	6,460,688	94,941	-	(131,919)	(20,998)	-	-	6,402,712
Payable to the project companies	2,429,047	(255,149)	-	-	-	250,174	-	2,424,072
Lease liabilities	830,449	(66,372)	-	-	-	38,308	2,884	805,269
Total liabilities from financing activities	13,770,184	444,717	5,856	(131,919)	(20,998)	288,482	2,884	14,359,206

33 Financial instruments (continued)

Capital risk management

The Group manages its capital to ensure that entities in the Group will be able to continue as going concerns while maximising the return to shareholders through the optimisation of the debt and equity balance (excluding cash flow hedge reserve, assets distribution reserve, merger reserve and owner's contribution).

The capital structure of the Group consists of net debt (borrowings disclosed as in notes 20, 21 and 22 after deducting cash and bank balances) and equity of the Group (comprising share capital, share premium, statutory reserve, retained earnings, and owner's contribution) is measured at AED 17,085 million as at 31 December 2022 (2021: AED 9,438 million).

	2022	2021
	AED'000	AED'000
Total debt	**7,484,893**	7,151,225
Less: cash and bank balances	**(790,822)**	(1,051,274)
Net debt	**6,694,071**	6,099,951
Total equity attributable to the owners of the Company (excluding cash flow hedge reserve, assets distribution reserve, investment revaluation reserve, foreign currency revaluation reserve and merger reserve)	**17,084,503**	9,438,216
Net debt to adjusted equity ratio	**0.39**	0.65

Market risk management

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

Foreign currency risk management

The Group undertakes transactions denominated in foreign currencies; consequently, exposures to exchange rate fluctuations arise. The carrying amounts of the Group's foreign currency denominated monetary assets and monetary liabilities at the reporting date are as follows:

33 Financial instruments (continued)

Foreign currency risk management (continued)

Foreign currency	Assets		Liabilities	
	2022	2021	**2022**	2021
	AED '000	AED '000	**AED '000**	AED '000
Egyptian Pound	**11,472**	-	**47,984**	-
Iraqi Dinar	**58,365**	-	-	-
Jordanian Dinar	**1,932**	251,992	-	-
Total	**71,769**	251,992	**47,984**	-

Foreign currency sensitivity analysis
The Group is mainly exposed to Iraqi Dinar and Egyptian Pound. The following table details the Group's sensitivity to a ten percent increase and decrease in currency units against the relevant foreign currencies. Ten percent is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the year-end for a ten percent change in foreign currency rates.

A positive number below indicates an increase in profit where currency units strengthens ten percent against the relevant currency. For a ten percent weakening of currency units against the relevant currency, there would be a comparable impact on the profit, and the balances below would be negative.

	Egyptian Pound		Iraqi Dinar		Jordanian Dinar	
	2022	**2021**	**2022**	**2021**	**2022**	**2021**
	AED '000	**AED '000**	**AED '000**	**AED '000**	**AED '000**	**AED '000**
Profit or loss	**1,174**	-	**5,836**	-	**193**	25
	1,174	-	**5,836**	-	**193**	25

In management's opinion, the sensitivity analysis is unrepresentative of the inherent foreign exchange risk as the year end exposure does not reflect the exposure during the year.

33 Financial instruments (continued)

Interest rate risk management

The Company is exposed to interest rate risk as it borrows funds and Bond at both fixed and floating interest rates. The risk is managed by the Company by maintaining an appropriate mix between fixed and floating rate borrowings.

Interest rate sensitivity analysis

At 31 December 2022, if interest rates on borrowings had been 100 basis points higher/lower with all other variables held constant, profit for the year would have been AED 704 million (2021: AED 432 million) lower/higher, mainly as a result of higher/lower interest expense on floating rate borrowings.

Credit risk management

In order to minimise credit risk, the Group has adopted a policy of only dealing with creditworthy counterparties. The Group attempts to control credit risk by monitoring credit exposures, limiting transactions with specific non-related counterparties, and continually assessing the creditworthiness of such nonrelated counterparties.

Credit approvals and other monitoring procedures are also in place to ensure that follow-up actions are taken to recover overdue debts. Furthermore, the Group reviews the recoverable amount of each trade and other receivables including dues from related parties on an individual basis at the end of the reporting period to ensure that adequate loss allowance is made for irrecoverable amounts. In this regard, management considers that the Group's credit risk is significantly reduced. Trade receivables consist of a large number of customers. Ongoing credit evaluation is performed on the financial condition of accounts receivable.

Of the trade receivables balance at the end of the year, AED 104 million (2021: AED 84 million) is due from the Group's largest customer. Apart from this, the Group does not have significant credit risk exposure to any single counterparty or any group of counterparties having similar characteristics. The Group defines counterparties as having similar characteristics if they are related entities. Concentration of credit risk did not exceed 20% of gross monetary assets at any time during the year. Concentration of credit risk to any other counterparty did not exceed 5% of gross monetary assets at any time during the year. The concentration of credit risk is limited due to the fact that the customer base is large and unrelated.

Notes to the consolidated financial statements for the year ended 31 December 2022 (continued)

33 Financial instruments (continued)

Credit risk management (continued)

Overview of the Group's exposure to credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. The tables below detail the credit quality of the Group's financial assets and unbilled lease receivable, as well as the Group's maximum exposure to credit risk:

	Notes	External credit ratings	12 month or lifetime ECL	Gross carrying amount AED'000	Loss allowance AED'000	Net carrying amount AED'000
31 December 2022						
Trade and other receivables (including unbilled receivables, accrued income and due from related parties)	12	N/A	Lifetime ECL	**5,800,855**	**(794,046)**	**5,006,809**
Cash and bank balances	15	A+ B2	12-month ECL	**790,822**	-	**790,822**
31 December 2021						
Trade and other receivables (including unbilled receivables, accrued income and due from related parties)	12	N/A	Lifetime ECL	4,383,779	(734,443)	3,649,336
Cash and bank balances	15	A+ Baa	12-month ECL	1,051,274	-	1,051,274

For trade receivables, due from related parties, accrued income and unbilled lease receivable, the Group has applied the simplified approach in IFRS 9 to measure the loss allowance at lifetime ECL. The Group determines the expected credit losses on these items by using a provision matrix, estimated based on historical credit loss experience based on the past due status of the debtors, adjusted as appropriate to reflect current conditions and estimates of future economic conditions. Accordingly, the credit risk profile of these assets is presented based on their past due status in terms of the provision matrix. Note 12 include further details on the loss allowance for these assets respectively.

Notes to the consolidated financial statements for the year ended 31 December 2022 (continued)

33 Financial instruments (continued)

Liquidity risk management

Liquidity risk is the risk that the Group will be unable to meet its net funding requirements. Liquidity risk can be caused by market disruptions or credit downgrades which may cause certain sources of funding to dry up immediately. To guard against this risk, management has diversified funding sources and assets are managed with liquidity in mind, maintaining a healthy balance of cash, cash equivalents, and readily marketable securities.

The table below summarises the maturities of the Group's undiscounted cash flows on financial liabilities as of 31 December 2022 and 2021 based on contractual payment dates and current market interest rates.

	Weighted Average effective Interest rate	Less than One year AED'000	1 to 5 Years AED'000	After 5 years AED'000	Total AED'000
31 December 2022					
Non-interest-bearing financial liabilities					
Trade and other payables	**-**	**2,316,002**	**100,315**	**-**	**2,416,317**
Interest bearing financial Liabilities					
Payable to the project companies	**10.3%**	**240,115**	**1,462,058**	**3,442,107**	**5,144,280**
Bond payable	**2.7%**	**-**	**-**	**3,589,954**	**3,589,954**
Bank borrowings	**1.5%**	**1,395,698**	**76,042**	**4,753**	**1,476,493**
		1,635,813	**1,538,100**	**7,036,814**	**10,210,727**
31 December 2021					
Non-interest-bearing financial liabilities					
Trade and other payables	-	1,778,055	83,816	-	1,861,871
Interest bearing financial liabilities					
Payable to the project companies	10.3%	267,970	1,429,976	3,747,854	5,445,800
Bond payable	2.7%	-	-	3,581,021	3,581,021
Bank borrowings	1.2%	1,146,132		-	1,146,132
		1,414,102	1,429,976	7,328,875	10,172,953

The Group does not face a significant liquidity risk with regard to its lease liabilities. Lease liabilities are monitored within the Group's treasury function and all lease obligations are denominated in AED.

Notes to the consolidated financial statements
for the year ended 31 December 2022 (continued)

33 Financial instruments (continued)

Liquidity risk management (continued)

The Group is using combination of the cash inflows from the financial assets and the available bank facilities to manage the liquidity.

The table below presents the cash inflows from financial assets:

	Less than One year AED'000	1 to 5 Years AED'000	After 5 years AED'000	Total AED'000
31 December 2022				
Financial asset at fair value through other comprehensive income	-	-	**2,078,388**	**2,078,388**
Trade and other receivables	**2,893,080**	-	**2,113,729**	**5,006,809**
Cash and bank balances	**790,822**	-	-	**790,822**
	3,683,902	-	**4,192,117**	**7,876,019**
31 December 2021				
Financial asset at fair value through other comprehensive income	-	-	58,788	58,788
Trade and other receivables	1,870,356	-	1,778,980	3,649,336
Cash and bank balances	1,051,274	-	-	1,051,274
	2,921,630	-	1,837,768	4,759,398

Fair value of financial instruments

The Group's management considers that the carrying amount of financial assets and financial liabilities approximates their fair value.

The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 based on the degree to which the fair value is observable:

- **Level 1** – fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities;
- **Level 2** – fair value measurements are those derived from inputs other than quoted prices within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and
- **Level 3** – fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

33 Financial instruments (continued)

Fair value of financial instruments (continued)

Fair value of the Group's financial assets that are measured at fair value on a recurring basis

Following table gives information about how the fair value of financial asset at fair value through other comprehensive income is determined.

	Fair value AED'000	**Fair value hierarchy**	**Valuation technique(s) and key input(s)**	**Significant unobservable input(s)**	**Relationship and sensitivity of unobservable inputs to fair value**
Financial asset at fair value through other comprehensive income (note 11)	**58,788**	Level 3	Dividend Discount Method has been used for valuing the present of future dividends to assess the value of investment	Long-term revenue growth rates, taking into account management's experience and knowledge of market conditions of the specific industries, ranging from 2% to 22% per cent	The higher the revenue growth rate, the higher the fair value.
				Long-term EBIDA margin, taking into account management's experience and knowledge of market conditions of the specific industries, ranging from 26% to27% per cent	The higher the pre-tax operating margin, the higher the fair value.
				Weighted average cost of capital, determined using 5.6% which is based on the mix of Equity/Debt.	The higher the weighted average cost of capital, the lower the fair value.
Financial asset at fair value through other comprehensive income (note 11)	**2,019,600**	Level 1	Quoted bid prices in an active market.	N/A	N/A

During the year, there were no transfers between Level 1 and Level 2 fair value measurements, and no transfers into or out of Level 3 fair value measurements. Also, there is no movement in fair value of investments categorised within Level 3 during the year ended 31 December 2022 and 2021.

There were no financial instruments that are measured at amortised cost but for which fair value was disclosed classified as Level 3 either in current year or in prior year.

34 Business combinations

Divetech Marine Engineering Services LLC

During December 2021, the Group (the "Buyer") entered into a sale and purchase agreement with Innovation Management Services FZC (the "Seller") to acquire 100% ownership of Divetech Marine Engineering Services LLC ("Divetech") for a total consideration of AED 188.5 million. The sale terms specified in the agreement were satisfied, rights and cash transferred and obligations attached to the transaction was completed on 28 February 2022 at which the Group obtained control of the entity.

Divetech Marine Engineering Services LLC is a UAE-based limited liability company that is a topside-subsea solutions provider that offers a range of services including installation, inspection, repair and maintenance for ports and other maritime organisations. The business acquired qualifies as a business combination under IFRS 3.

Acquisition will complement Group's existing capabilities and allow the Group to further pursue opportunities in the Oil and Gas market. Post-acquisition, Group's expanded capabilities would have the potential to dominate the diving, marine, and rope access market in the region and generate commercial, operational and financial synergies.

The acquisition has been accounted for using the acquisition method of accounting in 2022, and accordingly, the identifiable assets acquired and liabilities assumed, have been recognised at their respective fair values. The consolidated financial statements include the results of Divetech for the ten-month period from the acquisition date.

The amounts recognised in respect of the fair values at the date of acquisition of the identifiable assets acquired and liabilities assumed as set out in the table below are complete and accurate as per our best of knowledge and provisional purchase price allocations available as of the date:

	Fair values recognised on acquisition AED'000
Assets	
Cash and bank balances	**903**
Trade and other receivables	**81,332**
Property, plant and equipment	**6,647**
Intangible assets	**90,400**
Total assets	**179,282**
Liabilities	
Trade and other payables	**15,764**
Employees' end of service benefits	**1,095**
Total liabilities	**16,859**
Total identifiable net assets at fair value	**162,423**
Add: goodwill	**26,100**
Total purchase consideration	**188,523**

34 Business combinations (continued)

Divetech Marine Engineering Services LLC (continued)

The goodwill of AED 26.1 million arising from the acquisition consists of qualified and trained work force, established processes etc. that do not qualify for separate recognition.

Intangible assets include customer relationship, backlogs, brand name, non-compete contracts and licenses acquired as part of business combination and have historically contributed to revenue and generating independent cash flows and have been valued using multi-period excess earning method, Relief from Royalty Method, With and Without Method.

Acquisition related costs amounted to AED 0.8 million were expensed during the year and are included in general and administrative expenses. From the date of acquisition, Divetech contributed revenue of AED 89.1 million and net loss of AED 9.2 million towards the operations of the Group. If the acquisition had taken place at the beginning of the year, revenue of the Group would have been higher by AED 19.3 million and net profit would have been higher by AED 3.7 million.

Analysis of cashflow on acquisition:

	AED'000
Cash paid for the acquisition	(188,523)
Net cash acquired on business combination	903
Net cash outflows on acquisition (included in cash flows from investing activities)	(187,620)
Net cash outflow on acquisition	**(187,620)**

Alligator Shipping Container Line LLC

The Group (the "Buyer") entered into a sale and purchase agreement with two individuals (the "Sellers") to acquire 100% ownership of Alligator Shipping Container Line LLC ("ASCL") for a total consideration of AED 34.9 million. The sale terms specified in the agreement were satisfied, rights and cash transferred and obligations attached to the transaction was completed on 28 February 2022 on which the Group obtained control of the entity.

Alligator Shipping Container Line LLC is a UAE-based limited liability company engaged in global shipping and logistics service provider. The business acquired qualifies as a business combination under IFRS 3.

The Group acquired ASCL to expand container value chain as core part of the strategy to drive trade and support to convert Khalifa Port as transshipment hub for the region. The acquisition of Non-vessel container carrier operating cost (NVOCC) business is expected to enable direct sales of logistics services to strengthen client relationships and enable cross-selling on to its own ships for the Group.

34 Business combinations (continued)

Alligator Shipping Container Line LLC (continued)

The acquisition has been accounted for using the acquisition method of accounting in 2022, and accordingly, the identifiable assets acquired and liabilities assumed, have been recognised at their respective fair values. The consolidated financial statements include the results of ASCL for the ten-month period from the acquisition date.

The amounts recognised in respect of the fair values at the date of acquisition of the identifiable assets acquired and liabilities assumed as set out in the table below are complete and accurate as per our best of knowledge and provisional purchase price allocations available as of the date:

	Fair values recognised on acquisition AED'000
Assets	
Cash and bank balances	**73**
Trade and other receivables	**12,635**
Property, plant and equipment	**16,312**
Intangible assets	**11,000**
Total assets	**40,020**
Liabilities	
Trade and other payables	**15,903**
Total identifiable net assets at fair value	**24,117**
Add: goodwill	**10,826**
Total purchase consideration	**34,943**

Purchase consideration comprised as follows:

	AED'000
Cash consideration paid	**29,643**
Contingent and deferred consideration arrangements	**5,300**
Total consideration	**34,943**

The goodwill of AED 10.8 million arising from the acquisition consists of assembled work-force, processes that do not qualify for separate recognition under IAS 38.

34 Business combinations (continued)

Alligator Shipping Container Line LLC (continued)

Intangible assets include trademark and non-compete contracts acquired as part of business combination and have historically contributed to revenue and generating independent cash flows and have been valued using relief from royalty method and with and without method.

The contingent consideration arrangement requires actual EBITDA in a financial year to exceed the targeted EBITDA for financial year FY22 and FY23. The potential undiscounted amount of all future payments that the Group could be required to make under the contingent consideration arrangement is between nil and AED 13.0 million. The fair value of the contingent consideration arrangement of AED 5.3 million was estimated by discounting the EBITDA projected in the business for FY22 and FY23 by 6.9%.

Acquisition related costs amounted to AED 0.6 million were expensed during the year and are included in general and administrative expenses. From the date of acquisition, ASCL contributed revenue of AED 207.6 million and net profit of AED 13.9 million towards the operations of the Group. If the acquisition had taken place at the beginning of the year, revenue of the Group would have been higher by AED 20.0 million and net profit would have been higher by AED 2.5 million.

Analysis of cashflow on acquisition:

	AED'000
Cash paid for the acquisition	**(29,643)**
Net cash acquired on business combination	**73**
Net cash outflows on acquisition (included in cash flows from investing activities)	**(29,570)**
Net cash outflow on acquisition	**(29,570)**

International Associated Cargo Carrier B.V:

During July 2022, the Group (the "Buyer") entered into a sale and purchase agreement with Leocorp B.V (the "Seller") to acquire 70% ownership of International Associated Cargo Carrier B.V. ("IACC") for a total consideration of AED 483 million. The sale terms specified in the agreement were satisfied, rights and cash transferred and obligations attached to the transaction were completed on 12 September 2022 on which the Group obtained control of the entity.

International Associated Cargo Carrier B.V. is a private limited liability company duly established and existing under the laws of the Netherlands having operations in Egypt. The company wholly owns Transmar, a leading regional container line and Transcargo International (TCI) specialized in stevedoring, warehousing and port services. The business acquired qualifies as a business combination under IFRS 3.

34 Business combinations (continued)

International Associated Cargo Carrier B.V: (continued)

This acquisition will support Group's wider growth targets for North Africa and the Gulf region and broaden the portfolio of services to offer in those markets.

The acquisition has been accounted for using the acquisition method of accounting in 2022, and accordingly, the identifiable assets acquired and liabilities assumed, have been recognised at their respective fair values. The consolidated financial statements include the results of IACC for the four-month period from the month of September 2022. For the non-controlling interests in IACC, the Group elected to recognise the non-controlling interests at its proportionate share of the acquired assets and liabilities.

The amounts recognised in respect of the fair values at the date of acquisition of the identifiable assets acquired and liabilities assumed as set out in the table below are complete and accurate as per our best of knowledge and provisional purchase price allocations available as of the date:

	Fair values recognised on acquisition AED'000
Assets	
Cash and bank balances	**81,739**
Inventory	**1,540**
Prepayments	**8,320**
Trade and other receivables	**57,502**
Property, plant and equipment	**69,653**
Intangibles	**180,015**
Right of use asset	**291,634**
Total assets	**690,403**
Liabilities	
Trade and other payables	**34,569**
Lease liabilities	**195,146**
Total liabilities	**229,715**
Total identifiable net assets at fair value	**460,688**
Add: goodwill	**160,492**
Less: non-controlling interest, based on their proportionate interest in the recognised amounts of the assets and liabilities	**(138,206)**
Total: purchase consideration	**482,974**

**Notes to the consolidated financial statements
for the year ended 31 December 2022 (continued)**

34 Business combinations (continued)

International Associated Cargo Carrier B.V (continued):

The goodwill of AED 160.5 million arising from the acquisition consists of assembled work-force, processes that do not qualify for separate recognition under IAS 38.

Acquisition related costs amounted to AED 1.2 million were expensed during the period and are included in general and administrative expenses. From the date of acquisition, IACC contributed revenue of AED 133.9 million and net profit of AED 34.5 million towards the operations of the Group. If the acquisition had taken place at the beginning of the year, revenue of the Group would have been higher by AED 318 million and net profit would have been higher by AED 122 million.

Analysis of cashflow on acquisition:

	AED'000
Cash paid for the acquisition	(482,974)
Net cash acquired on business combination	81,739
Net cash outflows on acquisition (included in cash flows from investing activities)	(401,235)
Net cash outflow on acquisition	**(401,235)**

Safeen Diving and Subsea Services LLC:

During June 2022, the Group entered into a shareholders agreement with National Marine Dredging Company (NMDC) relating to establishing a new subsidiary company under the name Safeen Diving and Subsea Services LLC (Subsea). The Group holds 51% shares in Subsea and consolidate the financial results of the entity as the Group exercises control over the subsidiary. The conditions specified in the agreement were satisfied on 30 June 2022 on which the Group obtained control of the entity.

Safeen Diving and Subsea Services LLC (Subsea) has been incorporated for deep sea diving and underwater survey activities. The consolidated financial statements include the results of Subsea for the period from July to December 2022.

For the non-controlling interests in Safeen Subsea, the Group elected to recognise the non-controlling interests at its proportionate share of the acquired assets and liabilities.

Notes to the consolidated financial statements
for the year ended 31 December 2022 (continued)

34 Business combinations (continued)

Safeen Diving and Subsea Services LLC: (continued)

The amounts recognised in respect of the fair values at the date of acquisition of the identifiable assets acquired and liabilities assumed as set out in the table below are complete and accurate as per our best of knowledge and provisional purchase price allocations available as of the date:

	Fair values recognised on acquisition AED'000
Assets	
Property, plant and equipment	**136,575**
Intangibles	**204,614**
Total assets	**341,189**
Liabilities	
End of service benefit	**8,447**
Other payables	**105**
Total liabilities	**8,552**
Total identifiable net assets at fair value	**332,637**
Add: goodwill	**92,572**
Less: non-controlling interest, based on their proportionate interest in the recognised amounts of the assets and liabilities	**(162,992)**
Total purchase consideration	**262,217**

The goodwill of AED 92.6 million arising from the acquisition consists of assembled work-force, processes that do not qualify for separate recognition under IAS 38.

Acquisition related costs amounted to AED 0.1 million were expensed during the period and are included in general and administrative expenses. From the date of acquisition, Safeen Subsea contributed revenue of AED 258 million and net profit of AED 14.8 million towards the operations of the Group.

35 Property held for sale

During December 2021, the Group entered into a sale and purchase agreement with a related party (the "Buyer"), per which one of the Group's warehouse property to be sold to the related party at an agreed price. Neither the sales conditions as specified in the sale and purchase agreement were satisfied, nor the rights and obligations attached to the property was transferred to the buyer as of the reporting date and accordingly, the sale was not recognised for the year ended 31 December 2021. However, the property attached to this sale was recognised as an asset held for sale as of 31 December 2021. Based on the assessment performed, management concluded that the carrying value of the property as of the reporting date was lower than the net realisable value from the sale. During the year, the sales conditions as specified in the sale and purchase agreement were satisfied and rights and obligations attached to the property were transferred to the buyer. Hence, consideration for the sale were realised and gain was recorded in the books of the Group.

36 Non-controlling interests

Summarised financial information in respect of each of the Group's subsidiaries that has material non-controlling interests is set out below. The summarised financial information below represents amounts before intragroup eliminations

	OFCO Offshore Support and Logistics services LLC		Auto Terminal Khalifa Port LLC		International Associated Cargo Carrier B.V.	Safeen Diving and Subsea Services LLC	Total	
	2022 AED'000	2021 AED'000	**2022 AED'000**	2021 AED'000	**2022 AED'000**	**2022 AED'000**	**2022 AED'000**	2021 AED'000
Current assets	**230,307**	85,440	**23,281**	16,428	**54,318**	**165,531**	**473,437**	101,868
Non-current assets	**76,165**	77,358	**2,307**	2,654	**704,271**	**402,164**	**1,184,907**	80,012
Current liabilities	**(188,622)**	(66,108)	**(11,310)**	7,924	**(56,188)**	**(211,334)**	**(467,454)**	74,032
Non-current liabilities	**(3,322)**	(130)	**(676)**	480	**(188,594)**	**(8,449)**	**(201,041)**	610
Net assets	**114,528**	96,560	**13,602**	10,678	**513,807**	**347,912**	**989,849**	107,238
Equity attributable to owners of the Company	**58,409**	49,247	**6,937**	5,446	**359,665**	**177,435**	**602,446**	54,693
Non-controlling interests	**56,119**	47,313	**6,665**	5,232	**154,142**	**170,477**	**387,403**	52,546
Revenue	**282,212**	111,764	**50,750**	18,448	**154,069**	**257,940**	**744,971**	130,212
Expenses	**(263,960)**	(98,181)	**(43,709)**	(16,419)	**(99,346)**	**(243,124)**	**(650,139)**	(114,600)
Profit for the year	**18,252**	13,583	**7,041**	2,029	**54,723**	**14,816**	**94,832**	15,612
Profit attributable to owners of the Company	**9,308**	6,927	**3,591**	1,035	**38,306**	**7,556**	**58,761**	7,962
Profit attributable to the non-controlling interests	**8,944**	6,656	**3,450**	994	**16,417**	**7,260**	**36,071**	7,650

Notes to the consolidated financial statements for the year ended 31 December 2022 (continued)

36 Non-controlling interests (continued)

	Total AED'000
At 1 January 2021	36,976
Share of profit for the year	7,650
Payment of dividends	(1,077)
Non-controlling interests arising on the contributions	8,997
At 1 January 2022	52,546
Share of profit for the year	36,071
Share from other comprehensive income	(171)
Payment of dividends	(2,241)
Non-controlling interests arising on the acquisitions (note 34)	301,198
At 31 December 2022	**387,403**

37 Events after the reporting period

i. On 9 January 2023, EGA terminated the transshipment business contract with LDPL JV with the intention of handling these transshipment operations in house. Subsequently, the LDPL JV has entered into an agreement with EGA to sell the assets and is in the process of liquidating the entities. The proceeds of the sale of assets will be used to settle the outstanding loans and the remaining amounts will be distributed to the shareholders.

38 Approval of consolidated financial statements

These consolidated financial statements were approved by the Board of Directors and authorised for issue on 16 March 2023.