International Company for Water and Power Projects and its Subsidiaries
A Saudi Joint Stock Company

CONSOLIDATED FINANCIAL STATEMENTS

31 DECEMBER 2019

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Independent Auditor's Report
To the Shareholders of International Company for Water and Power Projects
(A Saudi Joint Stock Company)

Opinion
We have audited the consolidated financial statements of International Company for Water and Power Projects (A Saudi Joint Stock Company) (the "Company") and its subsidiaries (collectively, the "Group"), which comprise the consolidated statement of financial position as at 31 December 2019, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of cash flows and consolidated statement of changes in equity for the year then ended, and notes to the consolidated 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 2019 and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards that are endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements that are endorsed by the Saudi Organization for Certified Public Accountants.

Basis for opinion
We conducted our audit in accordance with International Standards on Auditing that are endorsed in the Kingdom of Saudi Arabia. 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 professional code of conduct and ethics endorsed in the Kingdom of Saudi Arabia that are relevant to our audit of the consolidated financial statements, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and the Audit Committee for the Consolidated Financial Statements
Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with International Financial Reporting Standards that are endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements that are endorsed by the Saudi Organization for Certified Public Accountants and the provisions of Companies' Law and Company's By-laws, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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 has no realistic alternative but to do so.

The Audit Committee is 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 International Standards on Auditing that are endorsed in the Kingdom of Saudi Arabia 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.

As part of an audit in accordance with International Standards on Auditing that are endorsed in the Kingdom of Saudi Arabia, we exercise professional judgment 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's 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 auditor's 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.

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Independent Auditor's Report
To the Shareholders of International Company for Water and Power Projects
(A Saudi Joint Stock Company) (continued)

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

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

We communicate with the Audit Committee 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.

for Ernst & Young

Fahad M. Al-Toaimi
Certified Public Accountant
License No. 354

Riyadh: 14 Sha'ban 1441 H
(7 April 2020)

شركة ارنست ويونغ وشركاهم محاسبون قانونيون
ترخيص مهني رقم ٤٥
PROFESSIONAL LICENCE No. 45
ERNST & YOUNG & Co. PUBLIC ACCOUNTANTS

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2019

All amounts in Saudi Riyals thousands

	Notes	**31 Dec 2019**	31 Dec 2018	31 Dec 2017
ASSETS				
NON-CURRENT ASSETS				
Property, plant and equipment	5	**12,036,771**	8,752,084	16,408,409
Intangible assets	6	**2,004,811**	2,014,320	2,126,820
Equity accounted investees	7	**5,293,867**	6,576,574	4,437,817
Non-current portion of net investment in finance lease	8	**10,364,334**	9,114,728	2,719,116
Due from related parties	22.1	**111,258**	71,984	71,984
Deferred tax asset	20.5	**23,460**	34,029	27,771
Fair value of derivatives	21	**-**	13,273	64,047
Strategic fuel inventories		**70,771**	77,631	78,055
Other assets	9	**206,110**	205,778	539,639
TOTAL NON-CURRENT ASSETS		**30,111,382**	26,860,401	26,473,658
CURRENT ASSETS				
Inventories	10	**438,324**	302,409	370,623
Current portion of net investment in finance lease	8	**209,902**	216,891	67,155
Due from related parties	22.1	**714,192**	756,516	854,899
Accounts receivable, prepayments and other receivables	11	**3,000,020**	2,532,680	1,655,621
Cash and cash equivalents	12	**2,798,315**	5,498,265	3,239,229
		7,160,753	9,306,761	6,187,527
Assets held for sale	32.3	**475,402**	-	-
TOTAL CURRENT ASSETS		**7,636,155**	9,306,761	6,187,527
TOTAL ASSETS		**37,747,537**	36,167,162	32,661,185

The attached notes 1 to 41 form an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)

As at 31 December 2019

All amounts in Saudi Riyals thousands

	Notes	**31 Dec 2019**	31 Dec 2018	31 Dec 2017
EQUITY AND LIABILITIES				
EQUITY				
Shareholders' equity				
Share capital	13.1	**6,429,344**	6,429,344	5,466,215
Share premium	13.1	**1,177,031**	1,177,031	97,222
Statutory reserve		**554,626**	437,239	437,239
Retained earnings		**3,102,108**	2,363,259	3,432,159
Equity attributable to owners of the Company before other reserves		**11,263,109**	10,406,873	9,432,835
Other reserves	13.2	**(1,361,236)**	(717,900)	(934,092)
Equity attributable to owners of the Company		**9,901,873**	9,688,973	8,498,743
Non-controlling interests	14	**703,504**	1,385,184	1,389,385
TOTAL EQUITY		**10,605,377**	11,074,157	9,888,128
LIABILITIES				
NON-CURRENT LIABILITIES				
Long-term financing and funding facilities	15	**17,480,944**	17,734,682	17,838,418
Due to related parties	22.1	**860,202**	81,176	142,378
Equity accounted investees	7	**516,982**	60,546	97,277
Fair value of derivatives	21	**286,442**	132,598	126,821
Deferred tax liability	20.5	**250,552**	245,776	255,249
Deferred revenue	17	**176,045**	67,108	83,560
Other financial liabilities	13.5	**395,724**	924,195	211,360
Employee end of service benefits' liabilities	16	**159,598**	123,148	123,980
Other liabilities	18.4	**252,117**	201,532	200,305
TOTAL NON-CURRENT LIABILITIES		**20,378,606**	19,570,761	19,079,348
CURRENT LIABILITIES				
Accounts payable and accruals	18	**3,439,786**	3,760,288	2,373,915
Short-term financing facilities	19	**444,218**	618,942	259,488
Current portion of long-term financing and funding facilities	15	**2,271,229**	1,018,637	864,400
Fair value of derivatives	21	**51,883**	10,613	85,861
Zakat and taxation	20.4	**183,411**	113,764	110,045
		6,390,527	5,522,244	3,693,709
Liabilities associated with assets held for sale	32.3	**373,027**	-	-
TOTAL CURRENT LIABILITIES		**6,763,554**	5,522,244	3,693,709
TOTAL LIABILITIES		**27,142,160**	25,093,005	22,773,057
TOTAL EQUITY AND LIABILITIES		**37,747,537**	36,167,162	32,661,185

The attached notes 1 to 41 form an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS
For the year ended 31 December 2019
All amounts in Saudi Riyals thousands

	Notes	**31 Dec 2019**	31 Dec 2018	31 Dec 2017
CONTINUING OPERATIONS				
Revenue	23	**4,114,999**	3,227,833	3,517,127
Operating costs	24	**(1,925,888)**	(1,918,287)	(2,077,412)
GROSS PROFIT		**2,189,111**	1,309,546	1,439,715
Development cost, provision and write offs, net of reversals	11.4	**(50,790)**	16,368	(94,403)
General and administration expenses	25	**(681,395)**	(610,608)	(687,201)
Share in net results of equity accounted investees, net of tax	7.1	**283,794**	942,716	452,207
Other operating income	26.1	**140,645**	160,325	210,641
OPERATING INCOME BEFORE IMPAIRMENT LOSS AND OTHER EXPENSES		**1,881,365**	1,818,347	1,320,959
Impairment loss and other expenses, net	27	**(919,471)**	(623,748)	(15,055)
OPERATING INCOME AFTER IMPAIRMENT LOSS AND OTHER EXPENSES		**961,894**	1,194,599	1,305,904
Other income	26	**336,820**	64,948	94,719
Exchange (loss) / gain, net	28	**(29,106)**	(8,576)	10,124
Financial charges, net	29	**(869,862)**	(570,655)	(317,950)
PROFIT BEFORE ZAKAT AND INCOME TAX		**399,746**	680,316	1,092,797
Zakat and tax	20.1	**(74,008)**	(39,942)	(194,025)
PROFIT FOR THE YEAR FROM CONTINUING OPERATIONS		**325,738**	640,374	898,772
DISCONTINUED OPERATIONS				
Profit / (loss) from discontinued operation including gain / (loss) recognised on loss of control in a subsidiary	32.4	**554,345**	(1,539,288)	128,570
PROFIT / (LOSS) FOR THE YEAR		**880,083**	(898,914)	1,027,342
Profit / (Loss) attributable to:				
Equity holders of the parent		**1,173,865**	(773,842)	920,240
Non-controlling interests		**(293,782)**	(125,072)	107,102
		880,083	(898,914)	1,027,342
Basic and diluted earnings / (loss) per share (in SR)	30.2	**1.82**	(1.30)	1.68
Basic and diluted earnings per share for continuing operations (in SR)	30.2	**0.98**	1.27	1.44

The attached notes 1 to 41 form an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
For the year ended 31 December 2019
All amounts in Saudi Riyals thousands

	Notes	**31 Dec 2019**	31 Dec 2018	31 Dec 2017
PROFIT / (LOSS) FOR THE YEAR		**880,083**	(898,914)	1,027,342
OTHER COMPREHENSIVE (LOSS) / INCOME				
Items that are or may be reclassified subsequently to profit or loss				
Foreign operations – foreign currency translation differences		**268,481**	(198,257)	35,904
Equity accounted investees – share of OCI	13.2, 7.1	**(729,442)**	315,667	68,978
Net change in fair value of cash flow hedge reserve		**(294,596)**	111,014	(93,766)
Items that will not be reclassified to profit or loss				
Re-measurement of defined benefit liability	16.1	**(18,244)**	12,960	(3,468)
TOTAL OTHER COMPREHENSIVE (LOSS) / INCOME		**(773,801)**	241,384	7,648
TOTAL COMPREHENSIVE INCOME / (LOSS)		**106,282**	(657,530)	1,034,990
Total comprehensive income / (loss) attributable to:				
Equity holders of the parent		**530,529**	(557,650)	934,208
Non-controlling interests		**(424,247)**	(99,880)	100,782
		106,282	(657,530)	1,034,990

The attached notes 1 to 41 form an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS
For the year ended 31 December 2019
All amounts in Saudi Riyals thousands

	Notes	**31 Dec 2019**	31 Dec 2018	31 Dec 2017
CASH FLOWS FROM OPERATING ACTIVITIES				
Profit before zakat and tax from continuing operations		**399,746**	680,316	1,092,797
Profit / (loss) before zakat and tax from discontinued operation including gain /(loss) recognised on loss of control in a subsidiary		**559,079**	(1,777,460)	116,993
Adjustments for:				
Depreciation on property, plant and equipment and right of use asset	5.4	**418,516**	365,675	274,445
Financial charges	29,32.4	**1,135,151**	1,014,960	541,841
(Gain) / loss recognised on loss of control in a subsidiary including related unrealized exchange loss	32.4	**(554,358)**	1,559,009	28,788
Other unrealised exchange loss / (gain)	28	**40,570**	8,740	(51,518)
Share in net results of equity accounted investees, net of tax	7.1,32.4	**(284,453)**	(935,667)	(457,024)
Charge for employees' end of service benefits	16.1	**32,023**	27,336	29,249
Fair value of cash flows hedges recycled to profit or loss		**(43,826)**	37,110	(18,562)
Provisions	25	**25,475**	30,596	100,639
Unwinding of discount on financial liabilities		**12,993**	1,109	4,647
Impairment loss / (reversal) in relation to property, plant and equipment and goodwill	27,32.4	**880,203**	556,437	(48,458)
Net gain on business combination achieved in stages	26	**(210,673)**	-	-
Gain on partial disposal of equity accounted investee	26	**-**	-	(65,367)
(Gain) / loss on disposal of property, plant and equipment		**(829)**	4,039	(5,735)
Development cost, provision and write offs, net of reversals	11.4	**50,790**	(4,415)	94,403
Changes in operating assets and liabilities:				
Accounts receivable, prepayments and other receivables		**(544,806)**	(1,314,643)	35,534
Inventories		**14,485**	43,937	(46,458)
Payables and accruals		**(1,087,739)**	745,001	(312,369)
Due from related parties		**73,116**	184,229	208,720
Strategic fuel inventories		**6,860**	424	11,007
Other assets		**(43,834)**	219,681	546,488
Other liabilities		**77,192**	1,227	158,338
Deferred revenue		**119,785**	(16,452)	8,208
Net cash from operations		**1,075,466**	1,431,189	2,246,606
Employees' terminal benefits paid	16.1	**(15,312)**	(14,998)	(17,198)
Zakat and tax paid	20.4	**(30,427)**	(46,423)	(37,029)
Dividends received from equity-accounted investees	7.1	**259,027**	205,887	238,087
Net cash generated from operating activities		**1,288,754**	1,575,655	2,430,466
CASH FLOWS FROM INVESTING ACTIVITIES				
Purchase of property, plant and equipment	5	**(2,045,876)**	(3,186,281)	(5,256,087)
Proceeds on disposal of property, plant and equipment		**3,434**	-	5,735
Net investment in finance lease		**306,862**	302,279	(86,708)
Investments in associates and joint ventures		**(147,967)**	(209,794)	(1,532,694)
Proceeds on partial disposal of equity accounted investees		**-**	-	106,400
Disposals and acquisition of NCI, net		**11,547**	(70,725)	-
Net cash outflow on business acquisition		**(481,695)**	-	-
Cash de-recognised on loss of control in a subsidiary or classification as held for sale		**(206,718)**	(16,687)	-
Net cash used in investing activities		**(2,560,413)**	(3,181,208)	(6,763,354)

The attached notes 1 to 41 form an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)

For the year ended 31 December 2019
All amounts in Saudi Riyals thousands

	Notes	**31 Dec 2019**	**31 Dec 2018**	31 Dec 2017
CASH FLOWS FROM FINANCING ACTIVITIES				
Proceeds received against share capital	13.1	-	2,042,938	-
Restricted cash deposits		-	-	187,405
Financing and funding facilities, net of transaction costs		**703,310**	3,150,772	6,623,020
Due to related parties		**(4,944)**	(61,202)	(66,273)
Other financial liabilities		**(541,464)**	-	174,125
Financial charges paid		**(1,231,446)**	(973,369)	(538,721)
Dividends paid		**(338,584)**	(294,550)	(337,798)
Capital contributions from and other adjustments to non-controlling interest		**(15,163)**	-	174,260
Net cash (used in) / from financing activities		**(1,428,291)**	3,864,589	6,216,018
NET (DECREASE) / INCREASE IN CASH AND CASH EQUIVALENTS DURING THE YEAR		**(2,699,950)**	2,259,036	1,883,130
Cash and cash equivalents at beginning of the year		**5,498,265**	3,239,229	1,356,099
CASH AND CASH EQUIVALENTS AT END OF THE YEAR	12	**2,798,315**	5,498,265	3,239,229

The attached notes 1 to 41 form an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2019
All amounts in Saudi Riyals thousands

	Share capital	*Share premium*	*Statutory reserve*	*Retained earnings*	*Other Reserves (note 13.2)*	*Equity attributable to owners of the Company*	*Non-controlling interests*	*Total equity*
Balance at 1 January 2017	5,466,215	97,222	345,215	2,812,822	(948,060)	7,773,414	1,243,262	9,016,676
Profit for the year	-	-	-	920,240	-	920,240	107,102	1,027,342
Other comprehensive income / (loss)	-	-	-	-	13,968	13,968	(6,320)	7,648
Total comprehensive income	-	-	-	920,240	13,968	934,208	100,782	1,034,990
Dividends (note 13.4)	-	-	-	(208,879)	-	(208,879)	(128,919)	(337,798)
Capital contribution	-	-	-	-	-	-	174,260	174,260
Transfer to statutory reserve	-	-	92,024	(92,024)	-	-	-	-
Balance at 31 December 2017	5,466,215	97,222	437,239	3,432,159	(934,092)	8,498,743	1,389,385	9,888,128
Balance at 1 January 2018	5,466,215	97,222	437,239	3,432,159	(934,092)	8,498,743	1,389,385	9,888,128
Loss for the year	-	-	-	(773,842)	-	(773,842)	(125,072)	(898,914)
Other comprehensive income	-	-	-	-	216,192	216,192	25,192	241,384
Total comprehensive income / (loss)	-	-	-	(773,842)	216,192	(557,650)	(99,880)	(657,530)
Acquisition of non-controlling interests (note 14)	-	-	-	(59,951)	-	(59,951)	(10,774)	(70,725)
Dividends (note 13.4)	-	-	-	(235,107)	-	(235,107)	(59,443)	(294,550)
Issue of shares (note 13.1)	963,129	1,079,809	-	-	-	2,042,938	-	2,042,938
Capital contribution	-	-	-	-	-	-	165,896	165,896
Balance at 31 December 2018	6,429,344	1,177,031	437,239	2,363,259	(717,900)	9,688,973	1,385,184	11,074,157
Balance at 1 January 2019	**6,429,344**	**1,177,031**	**437,239**	**2,363,259**	**(717,900)**	**9,688,973**	**1,385,184**	**11,074,157**
Profit / (loss) for the year	-	-	-	**1,173,865**	-	**1,173,865**	**(293,782)**	**880,083**
Other comprehensive loss	-	-	-	-	**(643,336)**	**(643,336)**	**(130,465)**	**(773,801)**
Total comprehensive income / (loss)	-	-	-	**1,173,865**	**(643,336)**	**530,529**	**(424,247)**	**106,282**
Changes in non-controlling interest	-	-	-	**5,252**	-	**5,252**	**24,122**	**29,374**
Loss of control	-	-	-	-	-	-	**(265,852)**	**(265,852)**
Dividends (note 13.4)	-	-	-	**(322,881)**	-	**(322,881)**	**(15,703)**	**(338,584)**
Transfer to statutory reserve	-	-	**117,387**	**(117,387)**	-	-	-	-
Balance at 31 December 2019	**6,429,344**	**1,177,031**	**554,626**	**3,102,108**	**(1,361,236)**	**9,901,873**	**703,504**	**10,605,377**

The attached notes 1 to 41 form an integral part of these consolidated financial statements.

All amounts in Saudi Riyals thousands

1 ACTIVITIES

International Company for Water and Power Projects (the "Company" or "ACWA Power") is a Saudi joint stock company established pursuant to a ministerial resolution numbered 215 dated 2 Rajab 1429H (corresponding to 5 July 2008) and is registered in Riyadh, Kingdom of Saudi Arabia, under commercial registration number 1010253392 dated 10 Rajab 1429H (corresponding to 13 July 2008).

The Company and its subsidiaries (collectively the "Group") are engaged in the business of development, construction, acquisition, generation and sale of electricity and desalinated water, leasing, operation and maintenance of power generation, water desalination and steam plants, and other related or auxiliary business activities complimentary to it.

Information of the Group direct subsidiaries/investees as of 31 December is included in the below table. Information about other material subsidiaries, associates and joint ventures are provided in note 40 to these consolidated financial statements.

Entity name	**Country of incorporation**	**Principal activities**	**Direct shareholding**		
			2019	2018	2017
ACWA Power Saudi Electricity and Water Development Company ***("APSE")***	Kingdom of Saudi Arabia	Investment in industrial enterprises and management, investment in commercial enterprises and management; and managing office.	**100.0%**	100.0%	100.0%
Kahromaa Company ***("KAHROMAA")***	Kingdom of Saudi Arabia	Installation, maintenance and operation contracting of electricity generation and desalination plants.	**100.0%**	100.0%	100.0%
ACWA Power Global Holdings Ltd. ***("APGH")***	United Arab Emirates (Jebel Ali Free Zone)	Power generation, water desalination and distribution or other business related to or ancillary thereto, development and management of such companies and provision of technical, commercial, administrative services. During 2019, the Group transferred its investment in APGH to APGS.	**-**	100.0%	100.0%
ACWA Power Reinsurance Co. Ltd. (captive insurance) ***("ACWA Re")***	United Arab Emirates (Dubai International Financial Centre – 'DIFC')	To effect and carry out contracts of insurance restricted to those of a Class 3 Captive Insurer. Under its captive license, ACWA Re can insure a part of its own affiliate's assets and that of related third party.	**100.0%**	100.0%	100.0%
Multiple Shares Company ***("MSC")***	Kingdom of Saudi Arabia	Installation, maintenance and operation, contracting of electricity generation and desalination plants.	**95.0%**	95.0%	95.0%
ACWA Power Bahrain Holdings W.L.L. ***("APBH")***	Kingdom of Bahrain	Installation, maintenance and operation contracting of electricity generation and desalination plants.	**99.7%**	99.7%	99.7%
ACWA Power Global Services Ltd. (***"APGS"***)	United Arab Emirates (DIFC)	Own investments in group of companies, provide financial advisory, book keeping and reporting, tax compliance and related services.	**100.0%**	100.0%	100.0%
ACWA Power Management and Investments One Ltd. ***("APMI One")***	United Arab Emirates (DIFC)	Investment in industrial enterprises and management, investment in commercial enterprises and management; and managing office.	**100.0%**	100.0%	100.0%
ACWA Power Capital Management Ltd ***("APCM")***	United Arab Emirates (DIFC)	Investment in industrial enterprises and management, investment in commercial enterprises and management; and managing office.	**100.0%**	100.0%	100.0%
ACWA Power Renewable Energy Holding Ltd. ***("APREH")***	United Arab Emirates (DIFC)	Power generation, water desalination and distribution or other business related to or ancillary thereto, development and management of such companies and provision of technical, commercial, administrative services. On 31 December 2019, Group has disposed-off 49% of its shareholding and consequently lost control in APREH (note 32.1).	**51.0%**	100.0%	100.0%
First National Holding Company **("NOMAC")**	Kingdom of Saudi Arabia	FNHC, incorporated in 2018, is engaged in constructing, owning, buying, managing, operating and investing in industrial, services and construction projects of power stations, electricity, steam stations, water desalination plants and providing operation and maintenance (O&M) under long term contracts.	**100.0%**	100.0%	-

2 BASIS OF PREPARATION AND CONSOLIDATION

These consolidated financial statements of the Group have been prepared in accordance with:

- International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"); and
- IFRS issued by IASB as endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements as issued by the Saudi Organization for Certified Public Accountants ("SOCPA"), (collectively referred as "IFRS as endorsed in KSA").

2.1 BASIS OF PREPARATION

These consolidated financial statements are prepared under the historical cost convention except for derivative financial instruments which are measured at fair value. These consolidated financial statements are presented in Saudi Riyals ("SR") which is the functional and presentation currency of the Company. All values are rounded to the nearest thousand (SR'000), except when otherwise indicated.

2.2 BASIS OF CONSOLIDATION

These consolidated financial statements comprise the assets, liabilities and the results of operations of the Group. Subsidiaries are entities that are controlled by the Group. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

Specifically, the Group controls an investee if and only if the Group has:

- power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee);
- exposure, or rights, to variable returns from its involvement with the investee; and
- the ability to use its power over the investee to affect its returns.

The Group reassesses 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 Group has less than a majority of the voting rights of an investee, 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 Group considers all relevant facts and circumstances in assessing whether or not the Group's voting rights in an investee are sufficient to give it power, including:

- the size of the Group's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- potential voting rights held by the Group, other vote holders or other parties;
- the contractual arrangement with other vote holders of the investee;
- rights arising from other contractual arrangements; and
- any additional facts and circumstances that indicate that the Group 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 Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Specifically, assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the period are included in the consolidated financial statements from the date the Group gains control until the date when the Group ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the equity holders of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group's accounting policies.

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

2 BASIS OF PREPARATION AND CONSOLIDATION (CONTINUED)

2.2 BASIS OF CONSOLIDATION (CONTINUED)

Changes in ownership interest in subsidiaries
Changes in Group's ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions (i.e. transactions with owners in their capacity as owners). In such circumstances the carrying amounts of the controlling and non-controlling interests shall be adjusted to reflect the changes in their relative interests in the subsidiary. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to the shareholders of the Company.

When the Group loses control of a subsidiary, a gain or loss is recognised in profit or loss and 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), and 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. Retained investment is recorded at fair value.

3 SIGNIFICANT ACCOUNTING POLICIES

The Group has consistently applied the accounting policies to all periods presented in these consolidated financial statements.

The significant accounting policies adopted are as follows:

Cash and cash equivalents
For the purposes of the consolidated statement of cash flows, cash and cash equivalents consists of bank balances, cash on hand and short-term bank deposits that have an original maturity of three months or less and excludes restricted cash deposit.

Financial instruments
Initial recognition
The Group records financial asset or a financial liability in its consolidated statement of financial position when, and only when, it becomes party to the contractual provisions of the instrument.

At initial recognition, financial assets or financial liabilities are measured at their fair values. Transaction costs of financial assets and financial liabilities carried at fair value through profit or loss are expensed in profit or loss. In the case of financial assets or financial liabilities not at fair value through profit or loss, its fair value including transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability is the initial recognition amount.

Classification
The Group classifies its financial assets under the following categories:
- Fair value through profit or loss (FVTPL);
- Fair value through other comprehensive income (FVTOCI); and
- Amortised cost.

These classifications are on the basis of business model of the Group for managing the financial assets, and contractual cash flow characteristics.

The Group measures financial asset at amortised cost when it is within the business model to hold assets in order to collect contractual cash flows, and contractual terms of the financial asset gives rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income. For investments in equity instruments, this will depend on whether the Group has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income.

The Group classifies all non-derivative financial liabilities as subsequently measured at amortised cost using the effective interest rate method except for financial liabilities at fair value through profit or loss.

The Group designates a non-derivative financial liability at fair value through profit or loss if doing so eliminates or significantly reduces measurement or recognition inconsistency or where a group of financial liabilities is managed and its performance is evaluated on a fair value basis.

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial instruments (continued)

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e. removed from the Group's consolidated statement of financial position) when:

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

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership.

When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of the Group's continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained. Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

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

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount reported in the consolidated statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

Derivative financial instruments and hedge accounting

The Group uses derivative financial instruments, such as forward currency contracts and interest rate swaps, to hedge its foreign currency risks and interest rate risks. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured for any changes in their fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative. Any gains or losses arising from the changes in the fair value of derivatives are taken directly to the profit or loss, except for the effective portion of cash flow hedges, which is recognised in other comprehensive income and later reclassified to profit or loss when the hedged item affects profit or loss.

For the purpose of hedge accounting, hedges are classified as cash flow hedges when hedging exposure to variability in cash flows that is either attributable to a particular risk associated with a recognised asset or liability or a highly probable forecast transaction or the foreign currency risk in an unrecognised firm commitment. At the inception of a hedge relationship, the Group formally designates and documents the hedge relationship to which the Group wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge. The documentation includes identification of the hedging instrument, the hedged item or transaction, the nature of the risk being hedged and how the entity will assess the effectiveness of changes in the hedging instrument's fair value in offsetting the exposure to changes in the hedged item's fair value or cash flows attributable to the hedged risk. Such hedges are expected to be highly effective in achieving offsetting changes in fair value or cash flows and are assessed on an ongoing basis to determine that they actually have been highly effective throughout the financial reporting periods for which they were designated.

If a hedging relationship ceases to meet the hedge effectiveness requirement relating to the hedge ratio but the risk management objective for that designated hedging relationship remains the same, the Group adjusts the hedge ratio of the hedging relationship (i.e. rebalances the hedge) so that it meets the qualifying criteria again.

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial instruments (continued)

Derivative financial instruments and hedge accounting (continued)

When the Group discontinues hedge accounting for a cash flow hedge, the amount that has been accumulated in the cash flow hedge reserve remains in other comprehensive income if the hedged future cash flows are still expected to occur, until such cash flows occur. If the hedged future cash flows are no longer expected to occur, that amount is immediately reclassified to profit or loss.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, or exercised without replacement or rollover (as part of the hedging strategy), or if its designation as a hedge is revoked, or when the hedge no longer meets the criteria for hedge accounting. At that time, for forecast transactions, any cumulative gain or loss on the hedging instrument previously recognised in other comprehensive income is retained separately in other comprehensive income until the forecasted transaction occurs.

If a hedged transaction is no longer expected to occur, the net cumulative gain or loss previously recognised in other comprehensive income is transferred to profit or loss for the period.

Current versus non-current classification

Derivative instruments that are designated as, and are effective hedging instruments, are classified consistently with the classification of the underlying hedged item. The derivative instrument is separated into current and a non-current portions only if a reliable allocation can be made.

Accounts receivables

After initial recognition, accounts receivables are stated at amortised cost less allowance for any impairment. The Group recognises an allowance for impairment for expected credit losses. Such impairment allowances are charged to profit or loss and reported under “General and administration expenses”. When an account receivable is uncollectible, it is written-off against the impairment allowance. Any subsequent recoveries of amounts previously written-off are credited against “General and administration expenses” in the consolidated statement of profit or loss.

Deferred costs (Projects under development)

Costs incurred on projects under development, which are considered as feasible, are carried on the consolidated statement of financial position. If a project is no longer considered feasible, the accumulated costs relating to that project are charged to the profit or loss in the period in which the determination is made. The Group makes provision against these projects based on expected success rates. Development costs reimbursed by successful projects are recognised as a deduction from deferred costs in consolidated statement of financial position. Proceeds received during the period from successful projects in excess of development cost reimbursements are recognised in profit or loss.

Inventories

Inventories are stated at the lower of cost and net realisable value. Costs comprise purchase cost, and, where applicable, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition. Cost is calculated using the weighted average method, except for the inventory held by one of the subsidiaries of the Group and the strategic fuel inventory of the Group, the cost of which is determined using the first-in first-out (FIFO) method. Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

Investments in associates and joint ventures – equity accounted investees

Associates are those entities in which the Group has significant influence, but not control, over the financial and operating policies. Joint ventures are joint arrangements whereby the parties that have joint control of the arrangement have rights to the net assets of the arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decision about the relevant activities require the unanimous consent of the parties sharing control.

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Investments in associates and joint ventures – equity accounted investees (continued)

The Group's investments in its associates and joint ventures are accounted for using the equity method of accounting from the date that the significant influence or joint-control commences until the date that such influence or joint-control ceases. Under the equity method of accounting, investments in associates and joint ventures are carried in the consolidated statement of financial position at cost, plus post-acquisition changes in the Group's share of net assets of the associates and joint ventures. The Group's profit or loss reflects the Group's share of the profit or loss of the associates and joint ventures. Where there has been a change recognised directly in the other comprehensive income of the associates and joint ventures, the Group recognises its share of such changes in its other comprehensive income. Unrealised gains and losses resulting from transactions between the Group and the associate or joint ventures ("upstream and downstream") are eliminated to the extent of the Group's interest in the associate or joint venture.

The aggregate of the Group's share of profit or loss of associates and joint ventures is shown separately in profit or loss under operating income and represents profit or loss after tax and non-controlling interest in the subsidiaries of the associate or joint venture.

The financial statements of the associates or joint ventures are prepared for the same reporting period as the Group. When necessary, adjustments are made to bring their accounting policies in line with those of the Group.

After application of the equity method of accounting, the Group determines whether it is necessary to recognise an impairment loss on its investment in associates or joint ventures. At each reporting date the Group determines whether there is an objective evidence that the investment in an associate or a joint venture is impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the investment in associate or joint venture and its carrying value, then recognises the loss within 'Share in results of associates and joint ventures' in the consolidated statement of profit or loss.

When the Group's share of losses exceeds its interest in associates or joint ventures, the Group's carrying amount of investments in associate or joint venture is reduced to zero and recognition of further losses is discontinued, except to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of such investee companies.

Upon loss of significant influence over the associate or joint control over the joint venture, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the associate or joint venture upon loss of significant influence or joint control and the fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

When the Group increases its ownership interest in an existing associate/ joint venture which remains an associate/ joint venture after that increase, the purchase price paid for the additional interest is added to the existing carrying amount of the associate/ joint venture and the existing share in net assets of the associate or joint venture is not re-measured. The cost of additional investment is allocated between the share of the fair value of net assets and goodwill. Any excess of the additional share in fair value of net assets acquired over the purchase price is recognised as a gain in profit or loss.

Appropriate adjustments are recognised in the Group's share of the associate's/ joint venture's profit or loss after additional acquisition in order to reflect the Group's share in fair value of net assets at the acquisition date, arising from the additional acquisition.

Property, plant and equipment

Property, plant and equipment, except for land and capital work in progress, is stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of replacing part of the property, plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of property, plant and equipment are required to be replaced at intervals, the Group recognises such parts as individual assets with specific useful lives and depreciates them accordingly. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the property, plant and equipment as a replacement if the recognition criteria are satisfied.

All other repair and maintenance costs are recognised in profit or loss as incurred. The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met.

Land and capital work in progress are stated at cost less accumulated impairment loss, if any. Capital work in progress represents all costs relating directly or indirectly to the projects in progress and will be accounted for under relevant category of property, plant and equipment upon completion.

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Property, plant and equipment (continued)

The cost less estimated residual value of other items of property, plant and equipment is depreciated on a straight line basis over the estimated useful lives of the assets.

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

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively.

Business combination

Business combinations, excluding business combination involving entities under common control, are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, measured at acquisition date fair value and the amount of any non-controlling interests in the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition costs incurred are expensed and included in general and administration expenses.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

If the business combination is achieved in stages, any previously held equity interest is re-measured at its acquisition date fair value and any resulting gain or loss is recognised in profit or loss. It is then considered in the determination of goodwill.

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration that is deemed to be an asset or liability are recognised in profit or loss. Contingent consideration that is classified as equity is not remeasured and subsequent settlement is accounted for within equity.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests, and any previous interest held, over the net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the re-assessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in profit or loss. After initial recognition, goodwill is measured at cost less any accumulated impairment losses.

Subsequently, for the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

Where goodwill forms part of a cash-generating unit and part of the operation within that unit is disposed off, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed off in these circumstances is measured based on the relative values of the disposed operation and the portion of the cash-generating unit retained.

For business combinations involving entities under common control the assets and liabilities of the combining entities are reflected at their carrying amounts. Adjustments are made to the carrying amounts in order to incorporate any differences arising due to differences in accounting policies used by the combining entities. No goodwill or gain is recognised as a result of the combination and any difference between the consideration paid/transferred and the equity acquired is reflected within the equity of the Group. The consolidated statement of profit or loss and other comprehensive income reflects the results of the combining entities from the date when the combination took place.

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Non-current assets held for sale and discontinued operations

The Group classifies non-current assets and disposal groups as held for sale if their carrying amounts will be recovered principally through a sale transaction rather than through continuing use. Non-current assets and disposal groups classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell. Costs to sell are the incremental costs directly attributable to the disposal of an asset (disposal group), excluding finance costs and income tax expense.

The criteria for held for sale classification 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. Actions required to complete the sale should indicate that it is unlikely that significant changes to the sale will be made or that the decision to sell will be withdrawn. Management must be committed to the plan to sell the asset and the sale expected to be completed within one year from the date of the classification.

Property, plant and equipment and intangible assets are not depreciated or amortised once classified as held for sale.

Assets and liabilities classified as held for sale are presented separately as current items in the statement of financial position.

A disposal group qualifies as discontinued operation if it is a component of an entity that either has been disposed of, or is classified as held for sale, and: which:

- represents a separate major line of business or geographical area of operations;
- is a part of single co-ordinated plan to dispose of a separate major line of business or geographical area of operations; or
- is a subsidiary acquired exclusively with a view to re-sale.

Discontinued operations are excluded from the results of continuing operations and are presented as a single amount as profit or loss after tax from discontinued operations in the statement of profit or loss.

When an operation is classified as a discontinued operation, the comparative statement of profit or loss and OCI is re-presented as if the operation had been discontinued from start of the comparative year.

Impairment

Financial assets

IFRS 9 requires the Group to record expected credit losses (ECL) on all of its financial assets excluding equity instruments and those carried at fair value through profit or loss. In case of trade receivables the Group is required to record ECL either on a 12-month or a lifetime basis. The Group applies the simplified approach and records lifetime expected losses on all trade receivables, except for finance lease receivables. The Group assesses on a forward looking basis the expected credit losses associated with its financial assets carried at amortised cost. At each reporting date, the Group recognises in its profit or loss the amount of the change in lifetime expected credit losses as an impairment loss or reversal thereof. 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 instruments.

For finance lease receivables, the Group has elected for the policy choice to measure the loss allowance at an amount equal to 12 months ECL provided the credit risk on the financial instrument has not increased significantly since initial recognition. If there has been a significant increase in credit risk since initial recognition, the Group recognises lifetime ECL. The assessment of whether lifetime ECL should be recognised is based on significant increases in the likelihood or risk of a default occurring since initial recognition. 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 offtakers, 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.

Non-financial assets

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

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Impairment (continued)

Non-financial assets (continued)

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded entities or other available fair value indicators.

The Group bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Group's CGUs to which the individual assets are allocated.

Impairment losses of continuing operations, including impairment on inventories, are recognised in profit or loss in expense categories consistent with the function of the impaired asset.

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

Accounts payable and accruals

Liabilities are recognised for amounts to be paid in the future for goods or services received, whether billed by the supplier or not. These are initially recognised at fair value and subsequently re-measured at amortised cost.

Provisions

Provisions are recognised when the Group has an obligation (legal or constructive) arising from a past event, and the costs to settle the obligation are both probable and can be measured reliably. In relation to insurance business, the provision is recognised when contracts are entered into and premiums are charged, and is brought to account as premium income over the term of the contract in accordance with the pattern of insurance service provided under the contract. If the effect of time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risk specific to the liability. When discounting is used, the increase in the provision due to passage of time is recognized as finance cost.

Employees' benefits

Short-term employee benefits

Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

Post-employment obligation

The Group operates a post-employment benefit plans driven by the labour laws of the countries in which the Group entities operate.

The post-employment benefits plans are not funded. Valuations of the obligations under those plans are carried out based on the projected unit credit method. The costs relating to such plans primarily consist of the present value of the benefits attributed on an equal basis to each year of service and the interest on this obligation in respect of employee service in previous years.

Current and past service costs related to post-employment benefits are recognised immediately in profit or loss as employee cost while the unwinding of the liability at discount rates used is recorded in profit or loss as finance charges. Any changes in net liability due to actuarial valuations and changes in assumptions are taken as re-measurement and recorded in other comprehensive income.

Re-measurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. Re-measurements are not reclassified to profit or loss in subsequent periods.

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Employees' benefits (continued)

Post-employment obligation (continued)

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in profit or loss as past service costs.

Statutory reserve

In accordance with the Company's By-Laws and Saudi Arabian Regulations for Companies, the Company must set aside 10% of its income after zakat and tax in each year until it has built up a reserve equal to 30% of its capital. The reserve is not available for distribution.

Leases

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration

Group as a lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

i) Right-of-use assets

The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

Lease hold land and building	2-40 years

If ownership of the leased asset transfers to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. The right-of-use assets are also subject to impairment.

ii) Lease liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

iii) Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Leases (continued)

Finance lease

Where the Group determines a long term power supply arrangement to be, or to contain, a lease and where the Group transfers substantially all the risks and benefits incidental to ownership of the leased item, the arrangement is considered as a finance lease. A finance lease is presented as net investment in finance lease and is recognised at the inception of the lease at the fair value of the leased asset or, if lower, at the present value of the minimum lease payments. Lease payments received are apportioned between finance income and the reduction of the net investment in finance lease so as to achieve a constant rate of return on the remaining balance of the asset.

The amount of net investment in finance lease is recorded in the consolidated statement of financial position as an asset at the gross amount receivable under the finance lease less unearned finance income.

Asset retirement obligation

The Group records the present value of estimated costs of legal decommissioning obligations required to restore the site to its original condition in the period in which the obligation is incurred. The nature of these activities includes dismantling and removing structures, dismantling operating facilities, closure of plant and waste sites, and restoration, reclamation and re-vegetation of affected areas.

The obligation generally arises when the asset is installed or the ground/environment is disturbed at the location. When the liability is initially recognised, the present value of the estimated costs is capitalised by increasing the carrying amount of the related property, plant and equipment to the extent that it was incurred as a result of the development/construction of the asset.

Over time, the discounted liability is increased for the change in present value based on the discount rates that reflect current market assessments and the risks specific to the liability. The periodic unwinding of the discount is recognised in profit or loss as part of finance costs. The estimated future costs of decommissioning, are reviewed annually and adjusted as appropriate. Changes if any, in the estimated future costs or in the discount rate applied are added or deducted from the cost of the asset.

Revenue recognition

Revenue from supply of desalinated water and power is recognised upon satisfaction of performance obligation which in general happens upon delivery of desalinated water and power to the customer. Capacity charge income (excluding receipts for services provided, such as insurance and maintenance) under Power and Water Purchase Agreements (“PWPA”) or Power Purchase Agreements (“PPA”) or Water Purchase Agreements (“WPA”) for each hour during which the plant is available for power generation and/or water desalination is recognised over the lease term or upon actual billing period as appropriate considering the terms of each PWPA or PPA or WPA. The component of billed revenue related to goods or services not delivered or performed are recorded as deferred liability and reported in the consolidated statement of financial position as deferred revenue.

At the inception of the lease, the total unearned finance income i.e. the excess aggregate minimum lease payments plus residual value (guaranteed and unguaranteed), if any, over the cost of the leased assets, is amortised over the term of the lease, and finance lease income is allocated to the accounting periods so as to reflect a constant periodic rate of return on the Group’s net investment outstanding with respect to the lease.

Revenues from rendering technical, operation and maintenance services are recognised when contracted services are performed. Revenue from development is recognised when related services are rendered.

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duty.

Profit on fixed deposits is recognised as the profit accrues. Interest income on deposits is accrued on an effective yield basis.

Dividend income is recognised when the Group’s right to receive the dividend is established.

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Borrowing costs

Borrowing costs directly attributable to the construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use. All other borrowing costs are recognised in profit or loss in the period in which they are incurred. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the financial charges eligible for capitalisation.

Front end fees, debt acquisition and arrangement fees, other than commitment fee in relation to undrawn facility, that relate to the origination of the long-term loans and funding facilities are amortised over the period of the loans using the effective interest rate (“EIR”). Loan commitment fee in relation to undrawn portion of loan is treated as service cost. The amortisation on the effective interest basis and the commitment fee on undrawn facility are capitalised as part of projects under construction up to the date of commencement of commercial production and subsequently it is charged to profit or loss.

Expenses

General and administration expenses include direct and indirect costs not specifically forming part of operating costs. Allocations between general and administration expenses and operating costs, when required, are made on a consistent basis.

Zakat and taxation

Zakat and taxation is provided in accordance with the Regulations of the General Authority of Zakat and Tax (the “GAZT”) in the Kingdom of Saudi Arabia and on an accruals basis. Zakat and income tax related to the Company and its subsidiaries is charged to profit or loss. Differences, if any, resulting from final assessments are adjusted in the period of their finalisation.

For subsidiaries outside the Kingdom of Saudi Arabia, provision for tax is computed in accordance with tax regulations of the respective countries.

Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences except:

- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint arrangements, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except:

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Foreign currencies

Transactions in foreign currencies are recorded in functional currency at the rate of exchange ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated in functional currency at the rate of exchange ruling at the reporting date. Differences arising on settlement or translation of monetary assets and liabilities are taken to profit or loss.

The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in OCI or profit or loss are also recognised in OCI or profit or loss respectively).

Any goodwill arising on the acquisition of a foreign operation and any fair value adjustments to the carrying amounts of assets and liabilities arising on the acquisition are treated as assets and liabilities of the foreign operation and translated at the spot rate of exchange at the reporting date.

On consolidation, assets and liabilities of foreign operations are translated into Saudi Riyals at the rate of exchange prevailing at the reporting date and their statements of income or expense are translated in Saudi Riyals at average exchange rates prevailing during the reporting period of related transactions. Exchange differences arising on translation for consolidation, if material, are recognised in other comprehensive income. On disposal of a foreign operation, the component of other comprehensive income for exchange differences relating to that particular foreign operation is recognised in profit or loss.

Value added tax ("VAT")

VAT receivable represents input tax paid on purchases including purchase of property, plant and equipment. VAT receivable is presented on an undiscounted basis net of any output tax collected on revenue.

Dividends

Final dividends are recognised as a liability at the time of their approval by the General Assembly. Interim dividends are recorded as and when approved by the Board of Directors.

Earnings per share

Earnings per share are calculated by dividing profit for the period attributable to shareholders of the Company by the weighted average number of ordinary shares outstanding during the period.

New standards, amendments and interpretations adopted by the Group

The Group has adopted all these new and amended standards and interpretations in the preparation of these consolidated financial statements. The nature and effect of the changes as a result of adoption of these new accounting standards are described below.

IFRS 16 Leases

The Group applied IFRS 16 Leases for the first time. The nature and effect of the changes as a result of adoption of this new accounting standard is described below.

IFRS 16 supersedes IAS 17 leases, IFRIC 4 determining whether an arrangement contains a lease, SIC-15 operating leases-incentives and SIC-27 evaluating the substance of transactions involving the legal form of a lease. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for most leases under a single on-balance sheet model.

Lessor accounting under IFRS 16 is substantially unchanged from IAS 17. Lessors will continue to classify leases as either operating or finance leases using similar principles as in IAS 17. Therefore, IFRS 16 did not have an impact for leases where the Group is the lessor.

The Group adopted IFRS 16 using the modified retrospective method of adoption with the date of initial application of 1 January 2019. Under this method, the standard is applied retrospectively with the cumulative effect of initially applying the standard recognised at the date of initial application. The Group elected to use the transition practical expedient allowing the standard to be applied only to contracts that were previously identified as leases applying IAS 17 and IFRIC 4 at the date of initial application. The Group also elected to use the recognition exemptions for lease contracts that, at the commencement date, have a lease term of 12 months or less and do not contain a purchase option ('short-term leases'), and lease contracts for which the underlying asset is of low value ('low-value assets').

All amounts in Saudi Riyals thousands

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

New standards, amendments and interpretations adopted by the Group (continued)

IFRS 16 Leases (continued)
At the date of initial application, lease liabilities for leases previously classified as operating lease under IAS 17 are recognized and measured at the present value of the remaining lease payments, discounted using the Group's incremental borrowing rate of 6%. Right-of-use assets are measured at an amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payment. Below is the summary of effect of adoption IFRS 16 as at 1 January 2019:

	1 Jan 2019
Right of use assets*	**62,005**
Lease liabilities **	**62,005**

** Included within other assets (non-current) (note 9)*
*** Non-current portion of lease liabilities are included within other liabilities (non-current) (note 18.4)*

IFRIC Interpretation 23 Uncertainty over Income Tax Treatment
The Interpretation addresses the accounting for income taxes when tax treatments involve uncertainty that affects the application of IAS 12 Income Taxes. It does not apply to taxes or levies outside the scope of IAS 12, nor does it specifically include requirements relating to interest and penalties associated with uncertain tax treatments. The Interpretation specifically addresses the following:

- whether an entity considers uncertain tax treatments separately
- the assumptions an entity makes about the examination of tax treatments by taxation authorities
- how an entity determines taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates
- how an entity considers changes in facts and circumstances

The Group determines whether to consider each uncertain tax treatment separately or together with one or more other uncertain tax treatments and uses the approach that better predicts the resolution of the uncertainty.

The Group applies significant judgement in identifying uncertainties over income tax treatments. Since the Group operates in a complex multinational environment, it assessed whether the Interpretation had an impact on its consolidated financial statements.

Upon adoption of the Interpretation, the Group considered whether it has any uncertain tax positions, particularly those relating to transfer pricing. The Company's and the subsidiaries' tax filings in different jurisdictions include deductions related to transfer pricing and the taxation authorities may challenge those tax treatments. The Group determined, based on its tax compliance and transfer pricing study, that it is probable that its tax treatments (including those for the subsidiaries) will be accepted by the taxation authorities. The Interpretation did not have an impact on the consolidated financial statements of the Group.

Amendments to IFRS
IFRS 9: Prepayment Features with Negative Compensation
Under IFRS 9, a debt instrument can be measured at amortised cost or at fair value through other comprehensive income, provided that the contractual cash flows are 'solely payments of principal and interest on the principal amount outstanding' (the SPPI criterion) and the instrument is held within the appropriate business model for that classification. The amendments to IFRS 9 clarify that a financial asset passes the SPPI criterion regardless of an event or circumstance that causes the early termination of the contract and irrespective of which party pays or receives reasonable compensation for the early termination of the contract. These amendments had no impact on the consolidated financial statements of the Group.

IAS 19: Plan Amendment, Curtailment or Settlement
The amendments to IAS 19 address the accounting when a plan amendment, curtailment or settlement occurs during a reporting period. The amendments specify that when a plan amendment, curtailment or settlement occurs during the annual reporting period, an entity is required to determine the current service cost for the remainder of the period after the plan amendment, curtailment or settlement, using the actuarial assumptions used to remeasure the net defined benefit liability (asset) reflecting the benefits offered under the plan and the plan assets after that event. An entity is also required to determine the net interest for the remainder of the period after the plan amendment, curtailment or settlement using the net defined benefit liability (asset) reflecting the benefits offered under the plan and the plan assets after that event, and the discount rate used to remeasure that net defined benefit liability (asset).

These amendments had no impact on the consolidated financial statements of the Group as it did not have any plan amendments, curtailments, or settlements during the year.

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

New standards, amendments and interpretations adopted by the Group (continued)

Amendments to IFRS (continued)

IAS 28: Long-term interests in associates and joint ventures

The amendments clarify that an entity applies IFRS 9 to long-term interests in an associate or joint venture to which the equity method is not applied but that, in substance, form part of the net investment in the associate or joint venture (long-term interests). This clarification is relevant because it implies that the expected credit loss model in IFRS 9 applies to such long-term interests. The amendments also clarified that, in applying IFRS 9, an entity does not take account of any losses of the associate or joint venture, or any impairment losses on the net investment, recognised as adjustments to the net investment in the associate or joint venture that arise from applying IAS 28 Investments in Associates and Joint Ventures. These amendments had no impact on the consolidated financial statements as the Group does not have long-term interests in its associate and joint venture.

Annual Improvements 2015-2017 Cycle

IFRS 3 Business Combinations

The amendments clarify that, when an entity obtains control of a business that is a joint operation, it applies the requirements for a business combination achieved in stages, including remeasuring previously held interests in the assets and liabilities of the joint operation at fair value. In doing so, the acquirer remeasures its entire previously held interest in the joint operation. An entity applies those amendments to business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after 1 January 2019, with early application permitted.

IFRS 11 Joint Arrangements

A party that participates in, but does not have joint control of, a joint operation might obtain joint control of the joint operation in which the activity of the joint operation constitutes a business as defined in IFRS 3. The amendments clarify that the previously held interests in that joint operation are not remeasured. An entity applies those amendments to transactions in which it obtains joint control on or after the beginning of the first annual reporting period beginning on or after 1 January 2019, with early application permitted. These amendments had no impact on the consolidated financial statements of the Group.

IAS 12 Income Taxes

The amendments clarify that the income tax consequences of dividends are linked more directly to past transactions or events that generated distributable profits than to distributions to owners. Therefore, an entity recognises the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where it originally recognised those past transactions or events. An entity applies the amendments for annual reporting periods beginning on or after 1 January 2019, with early application permitted. When the entity first applies those amendments, it applies them to the income tax consequences of dividends recognised on or after the beginning of the earliest comparative period. Since the Group’s current practice is in line with these amendments, they had no impact on the consolidated financial statements of the Group.

IAS 23 Borrowing Costs

The amendments clarify that an entity treats as part of general borrowings any borrowing originally made to develop a qualifying asset when substantially all of the activities necessary to prepare that asset for its intended use or sale are complete.

The entity applies the amendments to borrowing costs incurred on or after the beginning of the annual reporting period in which the entity first applies those amendments. An entity applies those amendments for annual reporting periods beginning on or after 1 January 2019, with early application permitted. Since the Group’s current practice is in line with these amendments, they had no impact on the consolidated financial statements of the Group.

Standards issued but not yet effective

The new and amended standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Group’s financial statements are disclosed below. The Group intends to adopt these new and amended standards and interpretations, if applicable, when they become effective.

IFRS 17 Insurance Contracts

In May 2017, the IASB issued IFRS 17 Insurance Contracts (IFRS 17), a comprehensive new accounting standard for insurance contracts covering recognition and measurement, presentation and disclosure. Once effective, IFRS 17 will replace IFRS 4 Insurance Contracts (IFRS 4) that was issued in 2005. IFRS 17 applies to all types of insurance contracts (i.e., life, non-life, direct insurance and re-insurance), regardless of the type of entities that issue them, as well as to certain guarantees and financial instruments with discretionary participation features. A few scope exceptions will apply.

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Standards issued but not yet effective (continued)

The overall objective of IFRS 17 is to provide an accounting model for insurance contracts that is more useful and consistent for insurers. In contrast to the requirements in IFRS 4, which are largely based on grandfathering previous local accounting policies, IFRS 17 provides a comprehensive model for insurance contracts, covering all relevant accounting aspects. The core of IFRS 17 is the general
model, supplemented by:

• A specific adaptation for contracts with direct participation features (the variable fee approach)
• A simplified approach (the premium allocation approach) mainly for short-duration contracts

IFRS 17 is effective for reporting periods beginning on or after 1 January 2021, with comparative figures required. Early application is permitted, provided the entity also applies IFRS 9 and IFRS 15 on or before the date it first applies IFRS 17. The management believe that the interpretation will not significantly impact the Group's consolidated financial statements.

Amendments to IFRS 3: Definition of a Business
In October 2018, the IASB issued amendments to the definition of a business in IFRS 3 Business Combinations to help entities determine whether an acquired set of activities and assets is a business or not. They clarify the minimum requirements for a business, remove the assessment of whether market participants are capable of replacing any missing elements, add guidance to help entities assess whether an acquired process is substantive, narrow the definitions of a business and of outputs, and introduce an optional fair value concentration test. New illustrative examples were provided along with the amendments.

Since the amendments apply prospectively to transactions or other events that occur on or after the date of first application, the Group will not be affected by these amendments on the date of transition.

Amendments to IAS 1 and IAS 8: Definition of Material
In October 2018, the IASB issued amendments to IAS 1 Presentation of Financial Statements and IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors to align the definition of 'material' across the standards and to clarify certain aspects of the definition. The new definition states that, 'Information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity.'

The amendments to the definition of material is not expected to have a significant impact on the Group's consolidated financial statements.

4 USE OF ESTIMATES AND ASSUMPTIONS

The preparation of the consolidated financial statements in conformity with IFRS as endorsed in KSA and IFRS requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the reporting date and the reported amounts of revenue and expenses during the reporting period. Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The Group makes estimates and assumptions concerning the future. The resulting accounting estimates, by definition, may differ from the related actual results.

4 USE OF ESTIMATES AND ASSUMPTIONS (CONTINUED)

Significant areas where management has used estimates, assumptions or exercised judgements are as follows:

(i) Impairment of non-financial assets (including Goodwill)
Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs to sell and its value in use. The fair value less costs to sell calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a discounted cash flow model. The cash flows are derived from the budget for the projects' useful lives and do not include restructuring activities that the Group is not yet committed to or significant future investments that will enhance the performance of the asset or cash-generating unit being tested. The recoverable amount is sensitive to the discount rate used for the discounted cash flow model as well as the expected future cash inflows and the growth rate used for extrapolation purposes.

(ii) Fair value of unquoted financial instruments
When the fair value of financial assets and financial liabilities recorded in the consolidated statement of financial position cannot be derived from active markets, the fair value is determined using valuation techniques including the discounted cash flow model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. The judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

The Group enters into derivative financial instruments with various counterparties, principally financial institutions with investment grade credit ratings. Derivatives valued using valuation techniques with market observable inputs are mainly interest rate swaps, foreign exchange forward contracts and call options. The most frequently applied valuation techniques include forward pricing and swap models, using present value calculations. The models incorporate various inputs including the foreign exchange spot and forward rates and interest rate curves.

Pursuant to certain shareholder agreements, the Group has written put options on non-controlling interests in subsidiaries and on counterparty's ownership interest in an associate. The fair values of these put options are derived from discounted projected cash flow analysis of the respective entities and the redemption amount determined pursuant to contractual agreements. The fair value measurements are performed at each reporting date.

(iii) Impairment of accounts receivable
An estimate of the collectible amount of accounts receivable is made using expected credit loss model which involves evaluation of credit rating and days past due information.

(iv) Useful lives of property, plant and equipment
The Group's management determines the estimated useful lives of property, plant and equipment for calculating depreciation. This estimate is determined after considering the expected usage of the asset or physical wear and tear.

Management reviews the useful lives annually and future depreciation charge would be adjusted where the management believes the useful lives differ from previous estimates.

(v) Lease classification
The determination of whether an arrangement is, or contains, a lease is based on the substance of the arrangement at inception date, whether fulfillment of the arrangement is dependent on the use of a specific asset or assets or the arrangement conveys a right to use the asset, even if that right is not explicitly specified in an arrangement. Where an arrangement is determined to contain a lease, the arrangement is accounted for as either an operating or a finance lease.

The following are the critical assumptions that have been made in the process of applying the Group's accounting policies for determining whether an arrangement contains a lease and have a significant effect on the amounts recognised in the consolidated financial statements:

- The Power and Water Purchase Agreements ("PPA" or "WPA" or "PWPA") are not from public-to-private and the Group does not have any direct responsibility towards the public, and accordingly management believes that this should not be accounted for as "Service Concession Arrangements".
- The price that the off-taker will pay for the output is neither contractually fixed per unit of output nor is equal to the current market price per unit of output at the time of delivery of the output and accordingly management believes that the arrangement contains a lease.
- If at the end of the term of the PPA or WPA or PWPA, the ownership of the Plant is transferred to the off-taker, the lease is classified as finance lease otherwise other factors are considered by management which affect the classification of lease as a finance or operating lease.

All amounts in Saudi Riyals thousands

5 PROPERTY, PLANT AND EQUIPMENT ("PPE")

The following rates are used for calculation of depreciation:

Buildings	2% - 7%	Plant, machinery and equipment	2.5% - 25%
Barges	5%	Office equipment and computers	25% - 33.3%
Furniture and fixtures	10% - 25%	Motor vehicles	14% - 25%
Capital spares	3.3% - 12.5%		

	Land and buildings	*Plant, machinery and equipment*	*Barges*	*Onshore equipment*	*Furniture and fixtures*	*Office equipment and computers*	*Capital spares*	*Motor vehicles*	*Capital work in progress (CWIP)*	***Total 2019***
Cost:										
At 1 January 2019	**861,883**	**10,928,021**	**239,159**	**16,284**	**65,074**	**114,077**	**50,901**	**36,471**	**1,769,092**	**14,080,962**
Additions	**3,612**	**148,328**	**-**	**-**	**8,254**	**16,981**	**1,409**	**6,952**	**1,860,340**	**2,045,876**
Transfer from CWIP	**242,983**	**1,087,885**	**-**	**-**	**-**	**-**	**-**	**-**	**(1,330,868)**	**-**
Disposals	**-**	**-**	**-**	**-**	**(2,914)**	**(2,972)**	**-**	**(216)**	**-**	**(6,102)**
Business combination (note 31)	**6,660**	**6,872,934**	**-**	**-**	**549**	**8,295**	**2,200**	**1,519**	**20,541**	**6,912,698**
De-recognition on loss of control in a subsidiary (note 32.1)	**(31,230)**	**(2,597,098)**	**-**	**-**	**(2,816)**	**(6,506)**	**(19,844)**	**(5,794)**	**-**	**(2,663,288)**
De-recognition on classification as held for sale (note 32.3)	**(15,114)**	**(598,441)**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**(613,555)**
Finance lease recognition	**-**		**-**	**-**	**-**	**-**	**-**	**-**	**(1,549,479)**	**(1,549,479)**
Foreign currency translation	**-**	**35,119**	**-**	**-**	**-**	**-**	**552**	**154**	**46**	**35,871**
At 31 December 2019	**1,068,794**	**15,876,748**	**239,159**	**16,284**	**68,147**	**129,875**	**35,218**	**39,086**	**769,672**	**18,242,983**
Accumulated depreciation and impairment										
At 1 January 2019	**582,084**	**4,393,234**	**183,947**	**16,284**	**41,607**	**60,181**	**21,218**	**30,323**	**-**	**5,328,878**
Depreciation charge for the year (note 5.4)	**16,874**	**337,459**	**8,770**	**-**	**9,282**	**22,249**	**3,498**	**7,965**	**-**	**406,097**
Impairment loss (note 27)	**-**	**830,761**	**46,442**	**-**	**-**	**-**	**-**	**-**	**-**	**877,203**
Relating to disposals	**-**	**-**	**-**	**-**	**(2,914)**	**(367)**		**(216)**	**-**	**(3,497)**
De-recognition on loss of control in a subsidiary (note 32.1)	**(318)**	**(208,742)**	**-**	**-**	**(1,222)**	**(1,264)**	**(1,597)**	**(5,028)**	**-**	**(218,171)**
De-recognition on classification as held for sale (note 32.3)	**-**	**(191,161)**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**(191,161)**
Foreign currency translation	**-**	**6,710**	**-**	**-**	**-**	**-**	**45**	**108**		**6,863**
At 31 December 2019	**598,640**	**5,168,261**	**239,159**	**16,284**	**46,753**	**80,799**	**23,164**	**33,152**	**-**	**6,206,212**
Carrying amount as at 31 December 2019	**470,154**	**10,708,487**	**-**	**-**	**21,394**	**49,076**	**12,054**	**5,934**	**769,672**	**12,036,771**

All amounts in Saudi Riyals thousands

5 PROPERTY, PLANT AND EQUIPMENT ("PPE") (CONTINUED)

	Land and buildings	*Plant, machinery and equipment*	*Barges*	*Onshore equipment*	*Furniture and fixtures*	*Office equipment and computers*	*Capital spares*	*Motor vehicles*	*Capital work in progress (CWIP)*	*Total 2018*
<u>Cost:</u>										
At 1 January 2018	988,304	11,158,798	232,036	16,284	55,324	115,451	33,040	35,398	8,415,182	21,049,817
Additions	43,279	1,373,155	7,123	-	10,278	16,053	19,701	6,062	1,710,630	3,186,281
Transfer from CWIP	-	1,507,599	-	-	-	-	-	-	(1,507,599)	-
Disposals	(84)	(7,174)	-	-	(8)	(14,648)	-	(3,178)	-	(25,092)
De-recognition on loss of control in a subsidiary (note 32.2)	(119,892)	(1,981,789)	-	-	(143)	(1,006)	-	(627)	2,638	(2,100,819)
Finance lease recognition	-	-	-	-	-	-	-	-	(6,847,627)	(6,847,627)
Foreign currency translation	(49,724)	(1,122,568)	-	-	(377)	(1,773)	(1,840)	(1,184)	(4,132)	(1,181,598)
At 31 December 2018	861,883	10,928,021	239,159	16,284	65,074	114,077	50,901	36,471	1,769,092	14,080,962
<u>Accumulated depreciation and impairment</u>										
At 1 January 2018	569,705	3,796,276	109,359	16,284	36,161	66,067	19,135	28,421	-	4,641,408
Depreciation charge for the year (note 5.4)	16,581	322,805	4,213	-	5,574	8,703	2,189	5,610	-	365,675
Impairment loss (note 27)	-	373,562	70,375	-	-	-	-	-	-	443,937
Relating to disposals	-	(7,174)	-	-	(8)	(11,110)	-	(2,761)	-	(21,053)
De-recognition on loss of control in a subsidiary (note 32.2)	(3,497)	(58,015)	-	-	(11)	(405)	-	(314)	-	(62,242)
Foreign currency translation	(705)	(34,220)	-	-	(109)	(3,074)	(106)	(633)	-	(38,847)
At 31 December 2018	582,084	4,393,234	183,947	16,284	41,607	60,181	21,218	30,323	-	5,328,878
Carrying amount as at 31 December 2018	279,799	6,534,787	55,212	-	23,467	53,896	29,683	6,148	1,769,092	8,752,084

All amounts in Saudi Riyals thousands

5 PROPERTY, PLANT AND EQUIPMENT ("PPE") (CONTINUED)

	Land and buildings	*Plant, machinery and equipment*	*Barges*	*Onshore equipment*	*Furniture and fixtures*	*Office equipment and computers*	*Capital spares*	*Motor vehicles*	*Capital work in progress (CWIP)*	*Total 2017*
<u>*Cost:*</u>										
At 1 January 2017	771,560	8,165,611	232,036	16,284	41,615	83,306	32,097	32,638	6,397,046	15,772,193
Additions	223,510	434,077	-	-	13,687	32,140	943	2,464	4,549,266	5,256,087
Disposals	-	(123,490)	-	-	-	-	-	(606)	-	(124,096)
Transfers from CWIP	-	2,478,963	-	-	-	-	-	-	(2,478,963)	-
Foreign currency translation	(6,766)	203,637	-	-	22	5	-	902	(52,167)	145,633
At 31 December 2017	988,304	11,158,798	232,036	16,284	55,324	115,451	33,040	35,398	8,415,182	21,049,817
<u>*Accumulated depreciation and impairment*</u>										
At 1 January 2017	546,747	3,732,385	98,076	16,284	31,829	56,228	18,117	25,334	-	4,525,000
Depreciation charge for the year (note 5.4)	22,926	221,944	11,283	-	4,291	9,723	1,018	3,260	-	274,445
Relating to disposals	-	(123,490)	-	-	-	-	-	(606)	-	(124,096)
Impairment loss reversal (note 5.3)	-	(63,513)	-	-	-	-	-	-	-	(63,513)
Foreign currency translation	32	28,950	-	-	41	116	-	433	-	29,572
At 31 December 2017	569,705	3,796,276	109,359	16,284	36,161	66,067	19,135	28,421	-	4,641,408
Carrying amount as at 31 December 2017	418,599	7,362,522	122,677	-	19,163	49,384	13,905	6,977	8,415,182	16,408,409

5.1 Capital work in progress comprises plants under construction in relation to some subsidiaries of the Group as mentioned in note 40.

5.2 Borrowing costs capitalised during the year amounted to SR 78.2 million (Dec 2018: SR 274.7 million, Dec 2017: SR 1,009 million).

5.3 In 2014, the Group recorded an impairment loss of SR 107.0 million on account of higher risk perception reflected in cost of capital for one of its subsidiaries ("ACWA Power CF Karad PV Park EAD"). During 2017, the Group recorded a reversal in impairment amounting to SR 63.5 million pursuant to successful debt restructuring and favourable outlook which resulted in reduction in cost of capital, hence resulted in partial reversal of impairment.

5.4 Depreciation reflected in profit or loss account is as follows:

	31 Dec 2019	31 Dec 2018	31 Dec 2017
Depreciation charge for the year ended 31 December	**406,097**	365,675	274,445
Depreciation charge in relation right of use asset	**12,419**	-	-
Less: Depreciation charge for discontinued operation	**(105,039)**	(144,215)	(71,067)
Depreciation charge from continuing operations for the year ended 31 December	**313,477**	221,460	203,378

All amounts in Saudi Riyals thousands

6 INTANGIBLE ASSETS

Intangible assets comprise of goodwill which represents the excess of the aggregate of the consideration transferred and the amount recognised for minority interests over fair value of identifiable assets acquired and liabilities assumed by the Group on acquisition and arose on account of the following acquisitions:

	As at 31 Dec 2019	As at 31 Dec 2018	As at 31 Dec 2017
Arabian Company for Water and Power Projects ("APP") (note 6.1)	**1,937,287**	1,937,287	1,937,287
ACWA Power Barka Services 1 & 2 (note 6.2)	**67,524**	70,524	183,024
UPC Renewables S.A. ("UPC") (note 6.3)	-	6,509	6,509
	2,004,811	2,014,320	2,126,820

Goodwill is tested for impairment annually and when circumstances indicate that the carrying value may be impaired.

6.1 This relates to goodwill on acquisition of 100% equity stake, in the share capital of APP.

6.2 During prior years, ACWA Power Global Holdings Limited ("APGH") (one of the Group's subsidiary), indirectly acquired a 50% equity stake in the share capital of ACWA Barka and 86.19% each in ACWA Power Barka Services 1 and ACWA Power Barka Services 2. In accordance with the terms of the financing structure for the acquisition, the Group has an effective interest of 41.91% in ACWA Barka and 72.25% indirect equity stakes in the two technical service companies, collectively "services companies". Such acquisition resulted in recognition of goodwill amounting to SR 183 million.

The Group performed impairment testing for certain of its cash generating units namely ACWA Power Barka Services 1 and ACWA Power Barka Services 2 ("the Entities"). The Entities are considered as a single cash generating unit for impairment testing purpose and to arrive at the value in use ("VIU"). The Group used discounted cash flows ("DCF") to calculate the recoverable amount to which goodwill is allocated and estimated that the recoverable amount is less than the carrying amount and accordingly an impairment loss of SR 3.0 million (2018: SR 112.5 million) was recognised in these consolidated financial statements.

6.3 This represents goodwill on acquisition of 70% equity stake in the share capital of UPC, an entity incorporated in Morocco and engaged in generating renewable energy. On 31 December 2019, the Group lost control in APREH (a Parent Company of UPC) and derecognised the Goodwill associated with UPC – refer note 32.1.

7 EQUITY ACCOUNTED INVESTEES

Classifying a joint arrangement requires the Group to use its judgment to determine whether the entity in question is a joint venture or a joint operation. IFRS 11 requires an analysis of "other facts and circumstances" when determining the classification of jointly controlled entities. For an entity to be classified as a joint operation, terms of the arrangements including other facts and circumstances must give rise to the Group's rights to the assets, and obligations for the liabilities, of the joint arrangement. While in case of joint venture, the Group has rights to the net assets of the arrangement. Considering the contractual terms of joint arrangements including other facts and circumstances, all of the Group's joint arrangement qualifies for joint venture and are accordingly equity accounted.

All amounts in Saudi Riyals thousands

7 EQUITY ACCOUNTED INVESTEES (CONTINUED)

7.1 Contribution from equity accounted investees

The table hereafter shows the contribution of each equity accounted investees in the consolidated statement of financial position, income statement, statement of profit or loss and other comprehensive income, and the "Dividends received from companies accounted for using the equity method" line of the statement of cash flows.

	% of effective ownership	Country of domicile	Opening balance	Additions / (disposals) / other adjustments	Share in net income / (loss)	Dividends received	Share in OCI	Business combination / loss of control	Closing balance
31 December 2019									
Rabigh Arabian Water & Electricity Company*	**74.00%**	**Saudi Arabia**	**2,440,300**	**(109,978)**	**209,183**	**(44,400)**	**-**	**(2,495,105)**	**-**
SGA/NOVA SGA Marafiq Holdings ("SGA Marafiq")	**33.33%**	**Bahrain / UAE**	**513,634**	**(21,932)**	**17,023**	**-**	**(29,506)**	**-**	**479,219**
Shuqaiq International Water and Electricity Company Limited ("SIWEC")	**53.34%**	**Saudi Arabia**	**466,199**	**(16,326)**	**32,515**	**(3,734)**	**(2,506)**	**-**	**476,148**
Saudi Malaysian Water and Electricity Company Limited ("SAMAWEC")	**50.00%**	**Saudi Arabia**	**1,208,698**	**-**	**81,382**	**(150,325)**	**(4,135)**	**-**	**1,135,620**
Suez Nomac O&M Holdings Company W.L.L.	**40.00%**	**Bahrain**	**27,523**	**-**	**9,832**	**(10,688)**	**-**	**-**	**26,667**
Jubail Operations Holdings Company W.L.L.	**40.00%**	**Bahrain**	**27,530**	**-**	**9,829**	**(10,688)**	**-**	**-**	**26,671**
Jordan Biogas Company	**50.00%**	**Jordan**	**2,552**	**-**	**(54)**	**-**	**-**	**-**	**2,498**
Qurayyah Investment Company ("QIC")	**35.00%**	**Saudi Arabia**	**458,420**	**700**	**5,579**	**(26,124)**	**(18,558)**	**-**	**420,017**
Rabigh Electricity Company	**40.00%**	**Saudi Arabia**	**662,633**	**2,812**	**(48,750)**	**-**	**(19,117)**	**-**	**597,578**
Shuaa Energy 1 P.S.C ("Shuaa") **	**49.00%**	**UAE**	**96,671**	**(5,089)**	**5,989**	**(2,481)**	**(33,076)**	**(62,014)**	**-**
Al Mourjan for Electricity Production Company	**50.00%**	**Saudi Arabia**	**548,313**	**2,239**	**(40,335)**	**-**	**(47,261)**	**-**	**462,956**
Dhofar Generating Company	**27.00%**	**Oman**	**93,474**	**1,191**	**1,071**	**(10,587)**	**(10,986)**	**-**	**74,163**
MAP Inland Holdings Ltd. (JAFZA)	**47.26%**	**UAE**	**1,933**	**552,773**	**1,627**	**-**	**(58,563)**	**-**	**497,770**
MAP Coastal Holding Company Limited (JAFZA)	**47.26%**	**UAE**	**(2,522)**	**479,625**	**5,106**	**-**	**(60,889)**	**-**	**421,320**
ACWA Power Oasis Three FZ-LLC ("Oasis 3") **	**70.70%**	**UAE**	**(13,024)**	**95,585**	**(5,330)**	**-**	**(20,208)**	**(57,023)**	**-**
VInh Hao 6 Power Joint Stock	**60.00%**	**Vietnam**	**-**	**68,890**	**-**	**-**	**-**	**-**	**68,890**
ACWA Power Renewable Energy Holding Ltd (refer note 32.1)	**51.00%**	**UAE**	**-**	**604,350**	**-**	**-**	**-**	**-**	**604,350**
									5,293,867
Hassyan Energy Phase 1 P.S.C	**26.95%**	**UAE**	**28,694**	**-**	**(89)**	**-**	**(180,711)**	**-**	**(152,106)**
Haya Power & Desalination Company	**60.00%**	**Bahrain**	**(45,000)**	**-**	**-**	**-**	**(30,147)**	**-**	**(75,147)**
Noor Energy 1 P.S.C.	**24.90%**	**UAE**	**-**	**(20,087)**	**(125)**	**-**	**(244,845)**	**-**	**(265,057)**
Dhofar Desalination Co. SAOC	**50.10%**	**Oman**	**-**	**2,637**	**-**	**-**	**(11,709)**	**-**	**(9,072)**
Taweelah RO Desalination Company LLC	**40.00%**	**UAE**	**-**	**(12,000)**	**-**	**-**	**-**	**-**	**(12,000)**
Naqa'a Desalination Plant LLC	**40.00%**	**UAE**	**-**	**(3,600)**	**-**	**-**	**-**	**-**	**(3,600)**
ACWA Guc Elektrik Isletme Ve Yonetim Sanayi Ve Ticaret A.S. ("ACWA GUC") – (note 32.2)	**70.00%**	**Turkey**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
									(516,982)
			6,516,028	**1,621,790**	**284,453**	**(259,027)**	**(772,217)**	**(2,614,142)**	**4,776,885**

** During the year the Group's effective shareholding in RAWEC increased from 74% to 99% - refer note 31.*

*** Share in net results of Shuaa and Oasis 3 totaling to SR 659 thousands (gain) [2018: SR 7.0 million (loss), 2017: SR 4.8 million (gain)] have been presented under discontinued operations refer note 32.4.*

All amounts in Saudi Riyals thousands

7 EQUITY ACCOUNTED INVESTEES (CONTINUED)

7.1 Contribution from equity accounted investees (continued)

	% of effective ownership	Country of domicile	Opening balance	Additions / (disposals) / other adjustments	Transfer to affiliates	Share in net income / (loss)	Dividends received	Share in OCI	Closing balance
31 December 2018									
Rabigh Arabian Water & Electricity Company – (note 31)	74.00%	Saudi Arabia	787,358	1,019,863	-	633,111	-	(32)	2,440,300
SGA/NOVA SGA Marafiq Holdings (“SGA Marafiq”)	33.33%	Bahrain / UAE	456,100	(34,311)	-	43,489	-	48,356	513,634
Shuqaiq International Water and Electricity Company Limited (“SIWEC”)	53.34%	Saudi Arabia	395,908	(12,421)	-	46,416	(12,802)	49,098	466,199
Saudi Malaysian Water and Electricity Company Limited (“SAMAWEC”)	50.00%	Saudi Arabia	1,112,788	-	-	112,196	(58,269)	41,983	1,208,698
Suez Nomac O&M Holdings Company W.L.L.	40.00%	Bahrain	27,135	-	-	17,338	(16,950)	-	27,523
Jubail Operations Holdings Company W.L.L.	40.00%	Bahrain	27,139	-	-	17,341	(16,950)	-	27,530
Jordan Biogas Company	50.00%	Jordan	2,777	-	-	(225)	-	-	2,552
Qurayyah Investment Company (“QIC”)	35.00%	Saudi Arabia	438,391	700	-	4,083	-	15,246	458,420
Rabigh Electricity Company	40.00%	Saudi Arabia	651,817	2,812	-	62,657	(96,230)	41,577	662,633
Shuaa Energy 1 P.S.C	49.00%	UAE	18,150	62,464	-	6,693	(4,686)	14,050	96,671
Al Mourjan for Electricity Production Company	50.00%	Saudi Arabia	520,254	2,239	-	4,069	-	21,751	548,313
Dhofar Generating Company	27.00%	Oman	-	(113,092)	218,785	(982)	-	(11,237)	93,474
MAP Power Holding Company Limited (“MAP”)	50.00%	UAE	(48,181)	243,864	(218,785)	3,340	-	19,762	-
Hassyan Energy Phase 1 P.S.C	26.95%	UAE	(26,525)	-	-	(83)	-	55,302	28,694
MAP Inland Holdings Ltd. (JAFZA)	47.26%	UAE	(8,008)	-	-	(18)	-	9,959	1,933
									6,576,574
MAP Coastal Holding Company Limited (JAFZA)	47.26%	UAE	(14,563)	2,205	-	(16)	-	9,852	(2,522)
ACWA Power Oasis Three FZ-LLC	70.70%	UAE	-	718	-	(13,742)	-	-	(13,024)
Haya Power & Desalination Company	60.00%	Bahrain	-	(45,000)	-	-	-	-	(45,000)
ACWA Guc Elektrik Isletme Ve Yonetim Sanayi Ve Ticaret A.S. (“ACWA GUC”) – (note 32.2)	70.00%	Turkey	-	-	-	-	-	-	-
									(60,546)
			4,340,540	1,130,041	-	935,667	(205,887)	315,667	6,516,028

All amounts in Saudi Riyals thousands

7 EQUITY ACCOUNTED INVESTEES (CONTINUED)

7.1 Contribution from equity accounted investees (continued)

	% of effective ownership	Country of domicile	Opening balance	Additions / (disposals) / other adjustments	Share in net income / (loss)	Dividends received	Share in OCI	Closing balance
31 December 2017								
Rabigh Arabian Water & Electricity Company	37.00%	Saudi Arabia	564,960	108,000	114,322	-	76	787,358
SGA/NOVA SGA Marafiq Holdings ("SGA Marafiq")	33.33%	Bahrain / UAE	68,044	350,000	35,844	(39,359)	41,571	456,100
Shuqaiq International Water and Electricity Company Limited ("SIWEC")	53.34%	Saudi Arabia	6,019	326,831	40,391	(11,163)	33,830	395,908
Saudi Malaysian Water and Electricity Company Limited ("SAMAWEC")	50.00%	Saudi Arabia	1,070,355	-	114,001	(106,003)	34,435	1,112,788
Suez Nomac O&M Holdings Company W.L.L.	40.00%	Bahrain	23,371	-	14,480	(10,716)	-	27,135
Jubail Operations Holdings Company W.L.L.	40.00%	Bahrain	23,373	-	14,482	(10,716)	-	27,139
Jordan Biogas Company	50.00%	Jordan	2,968	-	(191)	-	-	2,777
Qurayyah Investment Company ("QIC")	35.00%	Saudi Arabia	404,956	(705)	29,696	-	4,444	438,391
Rabigh Electricity Company	40.00%	Saudi Arabia	612,524	(5,628)	85,489	(57,925)	17,357	651,817
SunE Nomac AD	50.00%	Bulgaria	2,775	(2,775)	-	-	-	-
Shuaa Energy 1 P.S.C	49.00%	UAE	705	18,116	4,817	(2,205)	(3,283)	18,150
Al Mourjan for Electricity Production Company	50.00%	Saudi Arabia	(189,953)	697,822	9,271	-	3,114	520,254
								4,437,817
MAP Power Holding Company Limited ("MAP")	50.00%	UAE	(33,584)	-	(5,476)	-	(9,121)	(48,181)
MAP Coastal Holding Company Limited (JAFZA)	47.26%	UAE	2,830	-	(27)	-	(17,366)	(14,563)
MAP Inland Holdings Ltd. (JAFZA)	47.26%	UAE	5,700	-	(8)	-	(13,700)	(8,008)
Hassyan Energy Phase 1 P.S.C	26.95%	UAE	(4,079)	-	(67)	-	(22,379)	(26,525)
								(97,277)
			2,560,964	1,491,661	457,024	(238,087)	68,978	4,340,540

7.2 During 2017, the Group disposed of certain portion of its interest in Shuqaiq Water and Electricity Company, through Shuqaiq International Water and Electricity Company Limited, for a consideration of SR 106.4 million and recognised a gain of SR 65.4 million as other income (note 26).

All amounts in Saudi Riyals thousands

7 EQUITY-ACCOUNTED INVESTEES (CONTINUED)

7.3 Financial information regarding equity accounted investees

The table below represents the summarised financial information of its material associates and joint ventures:

Information on statement of financial position of material joint ventures and associates:

	Non-current assets	Cash and cash equivalents	Other current assets	Short-term financing and funding facilities	Other current liabilities	Long-term financing and funding facilities	Other non-current liabilities	Total equity	Group's effective holding	Total equity attributable to the Group	Other long term interest in investee	Goodwill and other adjustments	Carrying amount
31 December 2019													
SGA Marafiq Holdings W.L.L.	1,087,964	60,320	55	-	(76,852)	-	(884,876)	186,611	33.33%	62,198	293,757	123,264	479,219
Shuqaiq International Water and Electricity Company	707,732	16,107	9	(16,309)	(5,424)	(277,744)	(337,666)	86,705	53.34%	46,249	338,260	91,639	476,148
Saudi Malaysian Water and Electricity Company Limited	1,404,336	7,823	116	-	(6,828)	-	-	1,405,447	50.00%	702,724	-	432,896	1,135,620
Qurayyah Investment Company	1,233,128	1,040	35	-	(298)	-	-	1,233,905	35.00%	431,867	-	(11,850)	420,017
Rabigh Electricity Company	7,782,080	20,086	315,906	(342,069)	(459,746)	(5,104,684)	(937,074)	1,274,499	40.00%	509,799	-	87,779	597,578
Dhofar Generating Company	2,052,475	61,548	192,492	(71,132)	(130,019)	(1,425,609)	(251,390)	428,365	27.00%	115,659	-	(41,496)	74,163
Al Mourjan for Electricity Production Company	5,566,848	11,188	45,041	(122,221)	(221,349)	(3,871,837)	(310,952)	1,096,718	50.00%	548,359	-	(85,403)	462,956
Hassyan Energy Phase 1 P.S.C	5,416,034	439,983	106,226	-	(284,162)	(5,375,364)	(867,118)	(564,401)	26.95%	(152,106)	-	-	(152,106)
MAP Inland Holdings Ltd. (JAFZA)	3,711,518	97,289	710,144	(112,287)	(2,065,194)	(2,226,294)	(184,199)	(69,023)	47.26%	(32,621)	552,773	(22,382)	497,770
MAP Coastal Holding Company Limited (JAFZA)	3,847,058	135,145	578,456	(108,819)	(1,904,660)	(2,280,776)	(323,842)	(57,438)	47.26%	(27,145)	479,625	(31,160)	421,320
Haya Power & Desalination Company	1,593,634	37,502	19,916	-	(323,943)	(1,311,126)	(66,228)	(50,245)	60.00%	(30,147)	-	(45,000)	(75,147)
Noor Energy 1 P.S.C.	3,385,794	285,388	112,391	-	(265,098)	(3,453,790)	(1,048,499)	(983,814)	24.90%	(244,970)	-	(20,087)	(265,057)
ACWA Power Renewable Energy Holding Ltd	4,028,391	156,144	152,375	(138,863)	(320,803)	(3,061,680)	(138,948)	676,616	51.00%	345,074	-	259,276	604,350
ACWA Guc Elektrik Isletme Ve Yonetim Sanayi Ve Ticaret A.S. ("ACWA GUC") – (note 32.2)	1,998,175	115,005	294,575	-	(169,381)	(2,497,753)	(578,733)	(838,112)	70.00%	-	-	-	-
31 December 2018													
Rabigh Arabian Water & Electricity Company	6,395,080	228,730	251,767	-	(207,586)	(4,076,745)	(222,915)	2,368,331	74.00%	1,752,565	110,356	577,379	2,440,300
SGA Marafiq Holdings W.L.L.	1,067,377	325	27	-	(8,891)	-	(799,986)	258,852	33.33%	86,275	315,689	111,670	513,634
Shuqaiq International Water and Electricity Company	672,736	31,832	5	(31,194)	(14,381)	(277,744)	(354,690)	26,564	53.34%	` 14,169	355,284	96,746	466,199
Saudi Malaysian Water and Electricity Company Limited	1,340,056	2,276	139,557	-	(1,051)	-	-	1,480,838	50.00%	740,419	-	468,279	1,208,698
Qurayyah Investment Company	1,360,432	44	26,915	-	(4,226)	-	(29,634)	1,353,531	35.00%	473,736	-	(15,316)	458,420
Rabigh Electricity Company	7,978,462	44,802	209,680	(325,107)	(186,796)	(5,389,023)	(845,247)	1,486,771	40.00%	594,708	-	67,925	662,633
Shuaa Energy 1 P.S.C	1,181,171	9,361	38,026	(21,532)	(138,356)	(990,985)	(7,875)	69,810	49.00%	34,207	62,464	-	96,671
Dhofar Generating Company	2,074,555	99,062	110,712	(68,408)	(64,237)	(1,495,972)	(151,411)	504,301	27.00%	136,161	-	(42,687)	93,474
Al Mourjan for Electricity Production Company	5,698,532	7,439	76,896	(135,252)	(153,952)	(3,985,228)	(238,962)	1,269,473	50.00%	634,737	-	(86,424)	548,313
Hassyan Energy Phase 1 P.S.C	3,663,873	36,964	33,268	-	(23,063)	(3,350,282)	(254,289)	106,471	26.95%	28,694	-	-	28,694
ACWA Guc Elektrik Isletme Ve Yonetim Sanayi Ve Ticaret A.S. ("ACWA GUC") – (note 32.2)	2,254,149	16,687	382,274	(345,997)	(174,679)	(2,189,201)	(247,294)	(304,061)	70.0%	-	-	-	-

All amounts in Saudi Riyals thousands

7 EQUITY-ACCOUNTED INVESTEES (CONTINUED)

7.3 Financial information regarding equity accounted investees (continued)

Information on statement of financial position of material joint ventures and associates (continued):

	Non-current assets	Cash and cash equivalents	Other current assets	Short-term financing and funding facilities	Other current liabilities	Long-term financing and funding facilities	Other non-current liabilities	Total equity	Group's effective holding	Total equity attributable to the Group	Other long term interest in investee	Goodwill and other adjustments	Carrying amount
31 December 2017													
Rabigh Arabian Water & Electricity Company	6,334,590	328,156	300,826	(387,548)	(1,079,225)	(4,159,054)	(34,072)	1,303,673	37.00%	482,359	108,000	196,999	787,358
SGA Marafiq Holdings W.L.L.	1,014,449	5,399	20,845	-	(6,711)	-	(1,052,169)	(18,187)	33.33%	(6,062)	350,000	112,162	456,100
Shuqaiq International Water and Electricity Company	486,549	52,386	-	(23,694)	(11,857)	(296,068)	(367,705)	(160,389)	53.34%	(85,551)	367,705	113,754	395,908
Saudi Malaysian Water and Electricity Company Limited	1,144,679	4,695	29,249	-	(3,842)	-	-	1,174,781	50.00%	587,391	-	525,397	1,112,788
Qurayyah Investment Company	1,309,059	54	26,880	-	(3,110)	-	(29,634)	1,303,249	35.00%	456,137	-	(17,746)	438,391
Rabigh Electricity Company	8,400,209	128,469	225,863	(298,812)	(106,739)	(5,928,854)	(917,637)	1,502,499	40.00%	601,000	-	50,817	651,817
Shuaa Energy 1 P.S.C	1,181,964	24,326	32,919	(175,804)	(11,751)	(1,001,056)	(13,557)	37,041	49.00%	18,150	-	-	18,150
MAP Power Holding Company Limited ("MAP")	2,482,208	28,041	58,940	(37,173)	(35,642)	(2,409,069)	(147,943)	(60,638)	50.00%	(30,319)	-	(17,862)	(48,181)
Al Mourjan for Electricity Production Company	5,718,049	90,543	147,159	(249,608)	(319,921)	(5,405,114)	(157,124)	(176,016)	50.00%	(88,008)	696,925	(88,663)	520,254
Hassyan Energy Phase 1 P.S.C	2,010,466	17,593	18,245	-	(9,170)	(1,764,032)	(371,525)	(98,423)	26.95%	(26,525)	-	-	(26,525)

All amounts in Saudi Riyals thousands

7 EQUITY-ACCOUNTED INVESTEES (CONTINUED)

7.3 Financial information regarding equity accounted investees (continued)

Information on statement of profit or loss and other comprehensive income of material joint ventures and associates:

	Revenues	Share in results of equity accounted investees	Depreciation	Finance Charges	Finance Income	Net profit or loss *	Other comprehensive income *	Total comprehensive income *
<u>**For year ended 31 December 2019**</u>								
SGA Marafiq Holdings W.L.L.	**-**	**160,652**	**-**	**(48,833)**	**165**	**59,600**	**(110,587)**	**(50,987)**
Shuqaiq International Water and Electricity Company	**-**	**81,496**	**-**	**(21,200)**	**231**	**62,941**	**3,746**	**66,687**
Saudi Malaysian Water and Electricity Company Limited	**-**	**212,354**	**-**	**(53)**	**1,781**	**181,142**	**777**	**181,919**
Qurayyah Investment Company	**-**	**7,521**	**-**	**(112)**	**-**	**6,540**	**(53,062)**	**(46,522)**
Rabigh Electricity Company	**674,676**	**-**	**(218,779)**	**(401,832)**	**1,254**	**(140,847)**	**(47,793)**	**(188,640)**
Dhofar Generating Company	**391,176**	**-**	**(38,279)**	**(72,769)**	**-**	**3,967**	**(40,688)**	**(36,721)**
Al Mourjan for Electricity Production Company	**474,743**	**-**	**(137,828)**	**(228,040)**	**698**	**(81,591)**	**(94,561)**	**(176,152)**
Hassyan Energy Phase 1 P.S.C	**-**	**-**	**-**	**-**	**-**	**(181)**	**(670,691)**	**(670,872)**
MAP Inland Holdings Ltd. (“MAP Inland”) **	**625,217**	**-**	**(58,726)**	**(77,133)**	**-**	**1,836**	**(123,908)**	**(122,072)**
MAP Coastal Holding Company Limited (“MAP Coastal”) **	**627,491**	**-**	**(63,897)**	**(81,801)**	**-**	**10,167**	**(129,645)**	**(119,478)**
Haya Power & Desalination Company	**-**	**-**	**-**	**-**	**-**	**-**	**(50,245)**	**(50,245)**
Noor Energy 1 P.S.C.	**-**	**-**	**-**	**-**	**-**	**(254)**	**(979,771)**	**(980,025)**
ACWA Power Renewable Energy Holding (note 32.1)	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
ACWA Guc Elektrik Isletme Ve Yonetim Sanayi Ve Ticaret A.S. (“ACWA GUC”) – (note 32.2)	**687,171**	**-**	**(49,554)**	**(606,296)**	**5,312**	**(648,220)**	**-**	**(648,220)**
<u>For year ended 31 December 2018</u>								
Rabigh Arabian Water & Electricity Company	1,146,256	-	(194,654)	(253,429)	4,334	373,868	13	373,881
SGA Marafiq Holdings W.L.L.	-	182,185	-	(30,425)	-	144,898	145,083	289,981
Shuqaiq International Water and Electricity Company	-	113,724	-	(29,127)	177	87,490	100,551	188,041
Saudi Malaysian Water and Electricity Company Limited	-	254,254	-	(27)	421	246,289	92,898	339,187
Qurayyah Investment Company	-	8,117	-	(112)	-	7,026	43,559	50,585
Rabigh Electricity Company	923,539	-	(218,642)	(403,735)	1,814	120,903	97,613	218,516
Shuaa Energy 1 P.S.C	94,452	-	-	(66,386)	116	13,660	28,674	42,334
Dhofar Generating Company	386,157	-	(38,152)	(72,594)	-	3,521	31,575	35,096
Al Mourjan for Electricity Production Company	531,959	-	(138,980)	(208,428)	1,567	10,338	38,061	48,399
Hassyan Energy Phase 1 P.S.C	-	-	-	-	-	(170)	204,821	204,651

* *Profit or loss, other comprehensive income and total comprehensive income included in above table are before any intra-group transaction elimination or other group level adjustments.*

** *Net profit or loss of MAP Inland and MAP coastal include delay liquidated damages expense which are due to off-taker. A recovery of the same amounts has also been accrued from EPC contractors in accordance with underlying EPC contracts. Thus, the net impact of liquidated damages on profit or loss of these entities is SR nil.*

All amounts in Saudi Riyals thousands

7 EQUITY-ACCOUNTED INVESTEES (CONTINUED)

7.3 Financial information regarding equity accounted investees (continued)

Information on statement of profit or loss and other comprehensive income of material joint ventures and associates (continued):

	Revenues	Share in results of equity accounted investees	Depreciation	Finance charges	Finance income	Net profit or loss *	Other comprehensive income *	Total comprehensive income *
For year ended 31 December 2017								
Rabigh Arabian Water & Electricity Company	1,115,641	-	(189,193)	(288,216)	2,042	324,965	205	325,170
SGA Marafiq Holdings W.L.L.	-	152,901	-	(23,181)	40	127,476	124,726	252,202
Shuqaiq International Water and Electricity Company Limited	-	93,094	-	(25,458)	46	66,610	63,424	130,034
Saudi Malaysian Water and Electricity Company Limited	-	234,657	-	(38)	-	273,426	68,870	342,296
Qurayyah Investment Company	-	68,592	-	(112)	-	68,959	12,698	81,657
Rabigh Electricity Company	952,162	-	(218,416)	(430,859)	1,714	154,645	43,391	198,036
Shuaa Energy 1 P.S.C	61,274	-	-	(41,587)	88	9,831	6,609	16,440
MAP Power Holding Company Limited (“MAP”)	151,155	-	-	(20,740)	3,965	(11,424)	(18,241)	(29,665)
Al Mourjan for Electricity Production Company	157,066	-	(31,600)	(58,364)	-	14,894	6,228	21,122
Hassyan Energy Phase 1 P.S.C	-	-	-	-	-	(142)	(83,039)	(83,181)

** Profit or loss, other comprehensive income and total comprehensive income included in above table is before any intra-group transaction elimination or other group level adjustments.*

All amounts in Saudi Riyals thousands

8 NET INVESTMENT IN FINANCE LEASE

In relation to Power Purchase Agreements ("PPA") between the few of the Group's subsidiaries and their off-taker, the Group management has concluded that the PPA are within the scope of IFRS 16, "Leases". Further, management has assessed the lease classification and concluded that the arrangements are finance lease. Accordingly, finance lease receivable has been recognised in the consolidated financial statements.

The lease cash flows are denominated in multiple currencies. Accordingly, the minimum lease payments are determined separately for each currency involved using interest rate implicit in lease for respective currency.

The lease receivables under the finance lease terms are detailed as follows:

	As at 31 Dec 2019	As at 31 Dec 2018	As at 31 Dec 2017
a) Net investment in finance leases consist of:			
Gross investment in finance leases (see (b) below)	**17,010,748**	15,195,883	4,702,391
Less: Unearned finance income (see (c) below)	**(6,436,512)**	(5,864,264)	(1,916,120)
	10,574,236	9,331,619	2,786,271
Analysed as:			
Current portion of net investment in finance lease	**209,902**	216,891	67,155
Non-current portion of net investment in finance lease	**10,364,334**	9,114,728	2,719,116
b) The future minimum lease payments to be received consist of:			
Within one year	**673,337**	617,615	204,031
After one year but not more than five years	**3,726,464**	2,570,015	1,030,640
Five years onwards	**12,610,947**	12,008,253	3,467,720
	17,010,748	15,195,883	4,702,391
c) The maturity of unearned finance income are as follows:			
Within one year	**463,435**	400,724	136,876
After one year but not more than five years	**2,103,960**	1,519,103	632,404
Five years onwards	**3,869,117**	3,944,437	1,146,840
	6,436,512	5,864,264	1,916,120

Finance income earned on the finance leases during the year was SR 319.9 million (2018: 145.2 million SR 2017: SR 88.8 million) (note 23) which is net of loss of SR 98.8 million (2018: SR 116.9 million, 2017: SR 49.1 million) due to fewer lease payments compared to original estimates resulted from lower production.

The total finance lease income in respective currency is allocated to the accounting periods so as to reflect a constant periodic rate of return on the Group's net investment outstanding in each currency respectively with respect to the lease.

The periodic rate of return used by the Group ranges from 2.04% to 10.21% (31 Dec 2018: 2.04% to 9.45%, 31 Dec 2017: 3.23% to 7.88%) per annum.

9 OTHER ASSETS

	As at 31 Dec 2019	As at 31 Dec 2018	As at 31 Dec 2017
Value Added Tax ("VAT")	**124,815**	160,638	530,635
Right of use assets	**47,934**	-	-
Others	**33,361**	45,140	9,004
	206,110	205,778	539,639

All amounts in Saudi Riyals thousands

10 INVENTORIES

	As at 31 Dec 2019	As at 31 Dec 2018	As at 31 Dec 2017
Spare parts and consumables	**410,413**	281,815	339,895
Chemicals	**16,864**	9,382	13,821
Diesel	**10,409**	10,540	15,102
Goods in transit	**638**	672	1,805
	438,324	302,409	370,623

11 ACCOUNTS RECEIVABLE, PREPAYMENTS AND OTHER RECEIVABLES

	Notes	**As at 31 Dec 2019**	As at 31 Dec 2018	As at 31 Dec 2017
Trade accounts receivable		**1,242,492**	1,265,963	783,539
Less: Allowance for impaired receivables	11.1	**(31,657)**	(64,334)	(71,402)
Net trade accounts receivable	11.2	**1,210,835**	1,201,629	712,137
Prepayments, insurance and other receivables	11.3	**1,344,640**	1,004,339	718,510
Project development cost	11.4	**240,569**	212,790	100,178
Advances to suppliers		**121,096**	39,735	57,876
Value added tax and other receivables from authorities	11.5	**41,750**	32,440	31,354
Advances to employees		**28,777**	22,021	24,934
Others		**12,353**	19,726	10,632
		3,000,020	2,532,680	1,655,621

11.1 Allowance for impaired receivables is calculated using expected credit loss approach specified in IFRS 9. To measure the expected credit losses, trade receivables are evaluated based on customer credit rating and days past due information. The approach also incorporates forward looking information. Movement in allowance for impaired receivables is disclosed in note 35.1 (c).

11.2 Net trade account receivable includes SR 388.2 million (31 Dec 2018: SR 419.0 million, 31 Dec 2017: SR 209.9 million) receivable of CEGCO that includes SR 306.9 million (31 Dec 2018: 312.1 million, 31 Dec 2017: SR 130.4 million) of fuel revenues receivable on account of electricity supplied to the off-taker, National Electric Power Company ("NEPCO"), which is domiciled in the Hashemite Kingdom of Jordan. The payments of NEPCO are back stopped by the Government of Jordan Guarantee. The Government of Jordan has ownership interest in both CEGCO and NEPCO (note 18.1).

11.3 The balance includes reinsurance assets and premiums receivable amounting to SR 886.5 million (31 Dec 2018: SR 328.5 million, 31 Dec 2017: SR 334.9 million). Related insurance liabilities are included in accrued expenses and other liabilities (note 18.2).

11.4 Project development cost represents costs incurred on projects under development which are considered feasible as of the reporting date. A provision is made against the project development costs based on an average project success rate and management's best estimates. During 2019, SR 50.8 million (31 Dec 2018: reversal of SR 16.4 million, 31 Dec 2017: provision of SR 94.4 million) net of provisions and write-offs were recorded in profit or loss from continued operations.

11.5 VAT receivables have been paid on purchases of goods and services and will be utilised against VAT liabilities for future periods.

12 CASH AND CASH EQUIVALENTS

	As at 31 Dec 2019	As at 31 Dec 2018	As at 31 Dec 2017
Cash in hand and at bank	**1,433,286**	3,221,133	1,876,302
Short-term deposits with original maturities of three months or less	**1,365,029**	2,277,132	1,362,927
	2,798,315	5,498,265	3,239,229

All amounts in Saudi Riyals thousands

13 SHARE CAPITAL AND RESERVES

13.1 Share capital

The Company's authorised and fully paid up share capital consists of 645,762,878 shares (31 Dec 2018: 645,762,878 shares, 31 Dec 2017: 547,603,721 shares) of SR 10 each.

Transaction cost incurred on issuance of shares is recognised in equity.

	As at 31 Dec 2019	As at 31 Dec 2018	As at 31 Dec 2017
Authorised and fully paid up shares of SR 10 each	**6,457,629**	6,457,629	5,476,037
Transaction cost	**(28,285)**	(28,285)	(9,822)
Share capital	**6,429,344**	6,429,344	5,466,215

During 2018, the Company issued 98,159,157 shares to "Public Investment Fund ("PIF")" at a premium amounting to SR 1,079.8 million. Total proceeds received against the shares issued net of transaction cost amounted to SR 2,042.9 million.

13.2 Other reserves

Movement in other reserve is given below:

	Cash flow hedge reserve	*Currency translation reserve*	*Share in OCI of equity accounted investees (note 7)*	*Re-measurement of defined benefit liability*	*Other*	*Total*
Balance as at 1 January 2017	(141,412)	(147,110)	(627,178)	(5,180)	(27,180)	(948,060)
Changes during the year	(50,276)	(2,110)	68,978	(2,624)	-	13,968
Balance as at 31 December 2017	(191,688)	(149,220)	(558,200)	(7,804)	(27,180)	(934,092)
Changes during the year	28,600	(323,986)	315,667	6,870	-	27,151
Recycled to profit or loss on loss of control (note 32.2)	47,711	141,330	-	-	-	189,041
Balance as at 31 December 2018	**(115,377)**	**(331,876)**	**(242,533)**	**(934)**	**(27,180)**	**(717,900)**
Changes during the year	**(243,780)**	**228,294**	**(772,217)**	**(18,251)**	**-**	**(805,954)**
Recycled to profit or loss on loss of control (note 32.1)	**45,982**	**73,861**	**42,775**	**-**	**-**	**162,618**
Balance as at 31 December 2019 *	**(313,175)**	**(29,721)**	**(971,975)**	**(19,185)**	**(27,180)**	**(1,361,236)**

** Currency translation reserve and cash flow hedge reserve as of 31 December 2019 includes SR (20.0) million and SR 4.0 million respectively associated with assets held for sale (note 32.3).*

Cash flow hedge reserve
The cash flow hedge reserve represents the effective portion of cash flow hedges. The cumulative deferred gain or loss on the hedge is recognised in profit or loss when the hedged transaction impacts the profit or loss. Under the terms of the long term loan and funding facilities, the hedges are required to be held until maturity. Changes in the fair value of the undesignated portion of the hedged item, if any, are recognised in profit or loss.

Currency translation reserve
On consolidation, the assets and liabilities of foreign operations are translated into Saudi Riyals at the rate of exchange prevailing at the reporting date and their statements of profit or loss are translated at average exchange rates prevailing during the reporting period of related transactions. The exchange differences arising on translation for consolidation are recognised as currency translation reserve in equity. On disposal of a foreign operation, the component of currency translation reserve relating to that particular foreign operation is recognised in profit or loss.

13 SHARE CAPITAL AND RESERVES (CONTINUED)

13.2 Other reserves (continued)

Share in other comprehensive income of equity accounted investees
Under the equity method of accounting the Group has also taken its share in other comprehensive income of the equity accounted investees which includes movement in cash flow hedge reserves, deferred tax on cash flow hedge reserve and actuarial gains or losses in relation to employee end of service benefit obligation of equity accounted investees.

Other
This represents amount initially recognised for the put options written by the Group in respect of shares held by non-controlling interests in a consolidated subsidiary (note 13.5 (c)).

13.3 Capital management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern and benefit other stakeholders. Management's policy is to maintain a strong capital base so as to maintain creditor and market confidence and to sustain future development of the business.

13.4 Dividends

During 2019, the Company paid dividends of SR 322.9 million to its shareholders (31 Dec 2018: SR 235.1 million, 31 Dec 2017: SR 208.9 million).

13.5 Other financial liabilities

Other financial liabilities as reported in consolidated statement of financial position as of 31 December 2019 includes:

(a) As of 31 December 2018, the Group had an outstanding liability of SR 175.4 million (2017: SR 174.3 million) in relation to call/put option on shares held by the Group over equity interests of non-controlling shareholders in a subsidiary. The option was exercised during 2019.

(b) SR 359.8 million (31 Dec 2018: SR 711.7 million, 31 Dec 2017: Nil) on account of financial liabilities assumed on loss of control in a subsidiary.

(c) Liability with respect to put options written by the Group in respect of shares held by non-controlling interests in a consolidated subsidiary. The option is likely to be exercised by 2020. The contractual obligation to purchase equity instruments was initially recognised as a financial liability and a corresponding amount has been recorded in equity in the consolidated statement of financial position at the present value of the redemption amount being SR 27.2 million. Subsequent changes in fair value are recognised in profit or loss with a corresponding increase / decrease in financial liabilities. If the contract expires without delivery, the carrying amount of the financial liability will be adjusted against equity and balance will be reclassified to profit or loss. The related accreted financial liability as at 31 Dec 2019 is SR 35.9 million (31 Dec 2018: SR 37.1 million, 31 Dec 2017: SR 37.1 million).

All amounts in Saudi Riyals thousands

14 NON-CONTROLLING INTEREST (NCI)

The following table summarises the information relating to each of the Group's subsidiaries that has material NCI. Where necessary, balances in relation assets and liabilities of subsidiaries are adjusted to account for group consolidation adjustments.

Information on statement of financial position

	CEGCO	Barka	APO I	Karad**	Bowarege	Bokpoort*	APOII	APOIII	Khalladi*	ROMCO	Zarqa	Rabigh 3	Others*** including eliminations	Total
As at 31 December 2019														
NCI %	**59.07%**	**58.09%**	**25.00%**	**-**	**35.15%**	**-**	**25.00%**	**25.00%**	**-**	**40.00%**	**40.00%**	**30.00%**		
Non-current assets	**646,910**	**898,573**	**2,504,063**	**-**	**74**	**-**	**3,429,867**	**2,808,136**	**-**	**1,988**	**1,794,621**	**722,422**		
Current assets	**521,073**	**334,858**	**209,423**	**-**	**10,822**	**-**	**301,169**	**74,622**	**-**	**112,488**	**316,510**	**17,331**		
Non-current liabilities	**(198,190)**	**(475,747)**	**(1,757,659)**	**-**	**(5,169)**	**-**	**(2,605,459)**	**(2,003,205)**	**-**	**(15,845)**	**(1,332,459)**	**(858,286)**		
Current liabilities	**(576,325)**	**(427,697)**	**(234,541)**	**-**	**(30,184)**	**-**	**(1,239,848)**	**(1,041,116)**	**-**	**(45,698)**	**(331,270)**	**(11,843)**		
Net assets / (liabilities)	**393,468**	**329,987**	**721,286**	**-**	**(24,457)**	**-**	**(114,271)**	**(161,563)**	**-**	**52,933**	**447,402**	**(130,376)**		
Net assets / (liabilities) attributable to NCI	**232,429**	**191,722**	**180,322**	**-**	**(8,597)**	**-**	**(28,568)**	**(40,391)**	**-**	**21,173**	**178,961**	**(39,113)**	**15,566**	**703,504**
As at 31 December 2018														
NCI %	59.07%	58.09%	25.00%	58.00%	35.15%	60.00%	25.00%	25.00%	25.00%	40.00%	40.00%	-		
Non-current assets	723,476	1,997,339	2,548,180	451,424	111,877	1,350,067	3,506,550	2,808,678	655,856	1,994	1,776,093	-		
Current assets	570,134	159,735	267,870	31,030	39,236	58,824	277,865	117,482	66,564	80,967	265,551	-		
Non-current liabilities	(224,831)	(792,282)	(2,001,200)	(470,462)	(701)	(928,494)	(3,259,874)	(2,561,428)	(558,593)	(19,003)	(1,192,011	-		
Current liabilities	(774,193)	(314,683)	(247,038)	(28,851)	(47,382)	(99,750)	(633,314)	(377,399)	(95,288)	(14,432)	(385,113)	-		
Net assets / (liabilities)	294,586	1,050,109	567,812	(16,859)	103,030	380,647	(108,773)	(12,667)	68,539	49,526	464,520	-		
Net assets / (liabilities) attributable to NCI	174,012	610,113	141,953	(9,778)	36,215	228,388	(27,193)	(3,167)	17,135	19,810	185,808	-	11,888	1,385,184

All amounts in Saudi Riyals thousands

14 NON-CONTROLLING INTEREST (NCI) (CONTINUED)

Information on statement of financial position (continued)

As at 31 December 2017	CEGCO	Barka	APO I	Karad	Bowarege	Bokpoort	APOII	APOIII	Khalladi	ROMCO	Zarqa	Others*** including eliminations	Total
NCI %	59.07%	58.09%	25.00%	58.00%	35.15%	60.00%	25.00%	25.00%	25.00%	40.00%	40.00%		
Non-current assets	852,540	2,016,365	2,692,371	490,829	119,646	1,606,652	3,265,911	2,421,547	609,730	2,404	1,508,553		
Current assets	355,321	165,953	245,646	55,453	85,371	65,818	163,555	95,887	71,809	64,801	35,409		
Non-current liabilities	(349,272)	(759,953)	(2,626,189)	(558,385)	(637)	(1,103,386)	(3,097,523)	(2,277,615)	(478,013)	(21,653)	(876,149)		
Current liabilities	(490,445)	(311,143)	(382,176)	(65,166)	(46,638)	(107,957)	(307,532)	(221,136)	(127,804)	(11,067)	(232,049)		
Net assets / (liabilities)	368,144	1,111,222	(70,348)	(77,269)	157,742	461,127	24,411	18,683	75,722	34,485	435,764		
Net assets / (liabilities) attributable to NCI	217,463	645,620	(17,587)	(44,816)	55,446	276,676	6,103	4,671	18,931	13,794	174,306	38,778	1,389,385

* *These entities were held through ACWA Power Renewable Energy Holding Limited ("APREH"), a 100% owned subsidiary of the Group. During 2019, the Group lost control in APREH and accordingly deconsolidated related net assets and NCI. Refer note 32.1.*

** *On 14 December 2019, the Group entered in to sale and purchase agreement with respect to disposal of its entire shareholding in ACWA Power CF Karad PV Park ("Karad"). Assets and liabilities of Karad are presented as held for sale. Refer note 32.3.*

*** *Others, as of 31 December 2019 and 2018, also include NCI pertaining to Rabigh Power Company ("RPC"). During 2018, the Group acquired an additional 34% interest in RPC for a consideration amounting to SR 70.7 million and having a carrying amount of SR 10.8 million. Difference between carrying amount and consideration paid is recorded directly within the equity. On 10 October 2019, Group has acquired remaining 15% interest in RPC for consideration amounting to SR 28.89 million having a carrying amount of SR 10.1 million. Difference between carrying amount and consideration paid is recorded directly within the equity.*

All amounts in Saudi Riyals thousands

14 NON-CONTROLLING INTEREST (NCI) (CONTINUED)

Information on statement of profit of loss and other comprehensive income

	CEGCO	**Barka**	**APO I**	**Karad**	**Bowarege**	**Bokpoort**	**APOII**	**APOIII**	**Khalladi**	**ROMCO**	**Zarqa**	**Rabigh 3**	**Others**	**Total**
31 December 2019														
NCI %	**59.07%**	**58.09%**	**25.00%**	**58.00%**	**35.15%**	**60.00%**	**25.00%**	**25.00%**	**49.00%**	**40.00%**	**40.00%**	**30.00%**		
Revenue	**423,186**	**546,180**	**158,664**	**65,992**	**-**	**234,467**	**235,603**	**45,886**	**100,682**	**97,089**	**247,978**	**-**		
Profit / (loss)	**113,634**	**(509,196)**	**193**	**4,280**	**(127,486)**	**15,945**	**(5,498)**	**(148,896)**	**3,426**	**23,463**	**27,402**	**(83)**		
OCI	**(12,786)**	**-**	**-**	**(44,520)**	**-**	**(98,375)**	**-**	**-**	**-**	**(216)**	**(44,520)**	**-**		
Total comprehensive income / (loss)	**100,848**	**(509,196)**	**193**	**(40,240)**	**(127,486)**	**(82,430)**	**(5,498)**	**(148,896)**	**3,426**	**23,247**	**(17,118)**	**(83)**		
Profit / (loss) – NCI share	**67,126**	**(295,843)**	**48**	**2,482**	**(44,811)**	**9,567**	**(1,375)**	**(37,224)**	**1,679**	**9,385**	**10,961**	**(25)**	**(15,752)**	**(293,782)**
OCI – NCI share	**(7,553)**	**-**	**-**	**(25,822)**	**-**	**(59,025)**	**-**	**-**	**-**	**(86)**	**(17,808)**	**-**	**(20,171)**	**(130,465)**
31 December 2018														
NCI %	59.07%	58.09%	25.00%	58.00%	35.15%	60.00%	25.00%	25.00%	25.00%	40.00%	40.00%	-		
Revenue	592,441	603,980	148,563	68,631	14	228,370	117,546	31,329	39,309	84,183	101,598	-		
Profit / (loss)	15,221	(104,700)	(25,424)	(1,627)	(56,263)	(4,514)	(133,182)	(31,350)	(6,856)	24,514	13,359	-		
OCI	3,090	-	-	6,180	53	27,618	-	-	-	526	15,397	-		
Total comprehensive income / (loss)	18,311	(104,700)	(25,424)	4,553	(56,210)	23,104	(133,182)	(31,350)	(6,856)	25,040	28,756	-		
Profit / (loss) – NCI share	8,991	(60,831)	(6,356)	(944)	(19,776)	(2,708)	(33,296)	(7,838)	(1,714)	9,806	5,344	-	(15,750)	(125,072)
OCI – NCI share	1,825	-	-	3,584	19	16,571	-	-	-	210	6,159	-	(3,176)	25,192
31 December 2017														
NCI %	59.07%	58.09%	25.00%	58.00%	35.15%	60.00%	25.00%	25.00%	25.00%	40.00%	40.00%	-		
Revenue	802,725	702,767	207,501	69,194	140,487	220,056	-	-	-	74,255	-	-		
Profit / (loss)	33,622	41,563	(31,689)	32,686	42,636	(8,466)	(7,830)	(6,651)	968	20,507	(1,853)	-		
OCI	(2,056)	361	-	(18,339)	(17)	(25,871)	-	-	-	-	(20,950)	-		
Total comprehensive income / (loss)	31,566	41,924	(31,689)	14,347	42,619	(34,337)	(7,830)	(6,651)	968	20,507	(22,803)	-		
Profit / (loss) – NCI share	19,861	24,148	(7,922)	18,958	14,987	(5,080)	(1,958)	(1,663)	242	8,203	(741)	-	38,067	107,102
OCI – NCI share	(1,214)	210	-	(10,636)	(6)	(15,522)	-	-	-	-	(8,380)	-	29,228	(6,320)

All amounts in Saudi Riyals thousands

15 LONG -TERM FINANCING AND FUNDING FACILITIES

As at	**31 Dec 2019**	31 Dec 2018	31 Dec 2017
Recourse debt:			
Financing facilities in relation to projects	**1,825,887**	3,185,113	1,546,653
Corporate facilities	**1,125**	12,237	465,138
Non-Recourse debt:			
Financing facilities in relation to projects	**14,922,544**	12,369,340	13,507,547
APMI One bond	**3,002,617**	2,999,129	2,995,980
Corporate facilities	-	187,500	187,500
Total financing and funding facilities	**19,752,173**	18,753,319	18,702,818
Less: current portion shown under current liabilities	**(2,271,229)**	(1,018,637)	(864,400)
Non-current portion shown under non-current liabilities	**17,480,944**	17,734,682	17,838,418

Financing and funding facilities as reported on the Group's consolidated statement of financial position are classified as 'non-recourse' or 'with-recourse' facilities. Non-recourse facilities are generally secured by the borrower (i.e. a subsidiary) with its own assets, contractual rights and cash flows and there is no recourse to the Company under any guarantee. The with-recourse facilities are direct borrowings or those guaranteed by the Company. The Group's financial liabilities are either fixed special profit bearing or at a margin above the relevant reference rates. The Group seeks to hedge long term floating exposures using derivatives (note 21).

The table below shows the current and non-current portion of long term financing and funding facilities with a further allocation of debt between corporate and projects. Corporate debt represents borrowings by the Companies listed in note 1 to the consolidated financial statements. While project financing includes direct borrowings by project companies and other holding companies (which are subsidiaries of the Group).

	Notes	***Interest rate***	***Maturity***	***Non-current portion***			***Current portion***		
		Fixed / variable		**As at 31 Dec 2019**	As at 31 Dec 2018	As at 31 Dec 2017	**As at 31 Dec 2019**	As at 31 Dec 2018	As at 31 Dec 2017
Recourse Debt	*15.2*								
Financing facilities in relation to projects:									
ACWA Power Africa Holdings (Pty) Ltd.		Variable	-	-	-	223,601	-	188,051	-
Floating Ships for Water Projects Company Limited ("Floating Ships")		Variable	-	-	-	-	-	-	4,632
ACWA Power Ouarzazate II S.A. ("APO II")		Fixed	2020	-	581,159	549,937	**581,159**	-	-
ACWA Power Ouarzazate III S.A. ("APO III")		Fixed	2020	-	452,607	422,090	**500,701**	-	-
ACWA Power Ouarzazate IV S.A. ("APO IV")		Fixed	2020	-	43,594	16,849	**43,594**	-	-
UPC Renewables S.A.		Fixed	-	-	59,582	118,387	-	-	-
ACWA Power Morocco		Fixed	-	-	-	-	-	58,805	-
Shuaibah Two Water Development Project ("Shuaibah II")		Variable	-	-	-	176,896	-	176,896	-
Rabigh Three Company ("Rabigh 3")		Variable	2021	**424,261**	-	-	-	-	-
Sakaka Solar Energy Company ("Sakaka")		Variable	2025	**198,897**	185,805	-	-	-	-
ACWA Power Renewable Energy Holding Limited ("APREH")	*32.1, 22.1(b)*	Fixed	2023	-	1,361,339	-	-	-	-
ACWA Power Laayoune		Fixed	2020	-	56,160	19,391	**56,160**	-	-
ACWA Power Boujdour		Fixed	2020	-	21,115	14,870	**21,115**	-	-
Total – Financing facilities in relation to projects				**623,158**	2,761,361	1,542,021	**1,202,729**	423,752	4,632

All amounts in Saudi Riyals thousands

15 LONG -TERM FINANCING AND FUNDING FACILITIES (CONTINUED)

	Notes	*Interest rate*	*Maturity*	*Non-current portion*			*Current portion*		
		Fixed / variable		**As at 31 Dec 2019**	As at 31 Dec 2018	As at 31 Dec 2017	**As at 31 Dec 2019**	As at 31 Dec 2018	As at 31 Dec 2017
Corporate facilities:									
Revolving Corporate Murabaha Facility and others		Variable	2021-22	**1,125**	11,487	464,387	-	750	751
Total – Recourse Debt				**624,283**	**2,772,848**	**2,006,408**	**1,202,729**	**424,502**	**5,383**
Non-Recourse Debt:									
Financing facilities in relation to projects:									
Floating Ships for Water Projects Company Limited ("Floating Ships")		Variable	-	-	-	-	-	-	2,510
ACWA Power Barka SAOG ("ACWA Barka")		Both	2020-24	**346,816**	471,580	589,335	**129,527**	122,356	111,050
ACWA Power Barka Electric Co LLC ("APBEC")		Fixed	2020	-	13,208	26,415	**13,208**	13,208	13,208
Central Electricity Generating Company ("CEGCO")		Both	2018-24	**134,023**	158,909	287,041	**26,719**	132,207	153,545
ACWA Power CF Karad PV Park EAD ("Karad PV")	*32.3*	Both	-	-	341,015	376,799	-	12,346	13,011
ACWA Power Bokpoort Holdings Proprietary Limited		Variable	-	-	-	11,240	-	-	-
ACWA Power Ouarzazate S.A. ("APO I")		Fixed	2038	**1,869,516**	1,951,602	2,108,338	**101,585**	93,791	87,590
ACWA Power Ouarzazate II S.A. ("APO II")		Fixed	2040	**2,580,586**	2,661,794	2,593,146	**100,783**	58,338	78,273
ACWA Power Ouarzazate III S.A. ("APO III")		Fixed	2040	**1,987,113**	2,093,386	1,855,525	**73,009**	36,604	20,638
ACWA Power Ouarzazate IV S.A. ("APO IV")		Fixed	2035	**210,563**	217,142	29,536	**10,153**	12,320	-
ACWA Guc Elektrik Isletme ve Yonetim Sanayi ve Ticaret (note 31)		Both	-	-	-	2,268,281	-	-	322,046
ACWA Power Solafrica Bokpoort CSP Power Plant (RF)		Variable	-	-	869,496	1,016,880	-	-	17,518
UPC Renewables S.A.		Variable	-	-	471,666	342,850	-	22,073	22,478
Shuaibah Two Water Development Project ("Shuaibah II")		Both	2040	**938,039**	790,131	111,145	**25,640**	9,906	-
ACWA Power Laayoune		Fixed	2035	**264,890**	218,863	16,628	**13,293**	16,037	-
ACWA Power Boujdour		Fixed	2035	**84,157**	78,255	4,036	**3,671**	4,590	-
The Local Company for Water And Solar Projects ("MAFRAQ")		Variable	-	-	177,888	155,488	-	7,838	-
Al Zarqa Plant for Energy Generation ("ZARQA")		Variable	2035	**1,241,932**	1,161,208	855,847	**54,814**	47,521	17,150
Sakaka Solar Energy Company ("Sakaka")		Variable	2044	**656,315**	92,086	-	**96,651**	-	-
Rabigh Three Company ("Rabigh 3")		Variable	2045	**302,430**	-	-	-	-	-
Rabigh Arabian Water and Electricity Company		Fixed	2023-31	**3,237,664**	-	-	**419,447**	-	-
Others		Both	-	-	6,976	-	-	5,000	-
Total – Financing facilities in relation to projects				**13,854,044**	11,775,205	12,648,530	**1,068,500**	594,135	859,017
APMI One bond	*15.1*	Fixed	2039	**3,002,617**	2,999,129	2,995,980	-	-	-
Corporate facilities:									
ACWA Power Global Holding		Interest free	-	-	187,500	187,500	-	-	-
Total – Non-Recourse Debt				**16,856,661**	14,961,834	15,832,010	**1,068,500**	594,135	859,017
Total financing and funding facilities				**17,480,944**	17,734,682	17,838,418	**2,271,229**	1,018,637	864,400

All amounts in Saudi Riyals thousands

15 LONG-TERM FINANCING AND FUNDING FACILITIES (CONTINUED)

15.1 In May 2017, the Group (through one of its subsidiaries, APMI One) issued bonds with an aggregate principal of USD 814 million. The bonds carry a fixed rate of interest at 5.95% per annum due for settlement on a semi-annual basis. The bonds' principal is due to be repaid in semi-annual instalments commencing from June 2021, with the final instalment due in December 2039.

The bonds are collateralised by cash flows derived from certain equity accounted investees and subsidiaries of the Group.

15.2 Borrowings by project companies are primarily secured against underlying assets of the respective project companies, except borrowings that are with recourse to the Group amounting to SR 1,825.9 million as of 31 December 2019 (31 Dec 2018: SR 3,185.1 million, 31 Dec 2017: SR 1,546.7 million).

16 EMPLOYEE END OF SERVICE BENEFITS' LIABILITIES

16.1 The movement of employee benefits (end of service) liability (unfunded) is as follows:

	31 Dec 2019	31 Dec 2018	31 Dec 2017
Balance at beginning of the year	**123,148**	123,980	108,481
Charge for the year recorded in profit or loss	**32,023**	27,336	29,249
Loss / (gain) on re-measurement of defined benefit liability (OCI)	**18,244**	(12,960)	3,468
Paid during the year	**(15,312)**	(14,998)	(17,198)
Impact of acquiring control / loss of control in a subsidiary	**826**	(57)	-
Currency translation difference	**669**	(153)	(20)
Balance at end of the year	**159,598**	123,148	123,980

16.2 Details of employees' end-of-service expense charge to profit or loss is as follows:

	31 Dec 2019	31 Dec 2018	31 Dec 2017
Interest cost	**4,058**	5,188	5,154
Current service cost	**27,965**	21,534	23,805
Past service cost	**-**	614	290
Total	**32,023**	27,336	29,249

16.3 The principal actuarial assumptions used are as follows:

	31 Dec 2019	31 Dec 2018	31 Dec 2017
Discount rate	**3.85% - 6.5%**	5.25% - 6.5%	4.25% - 6.5%
Increments	**2.5% - 10%**	2.5% - 10%	2.5% - 10%
Resignation rate			
Up to the age of 20 years	**4%-22.5%**	4%-22.5%	4%-22.5%
From the age of 21 to 25 years	**4% - 18.8%**	4% - 18.8%	4% - 18.8%
From the age of 26 to 30 years	**4% - 15%**	4% - 15%	4% - 15%
From the age of 31 to 50 years	**3% - 7.5%**	3% - 7.5%	3% - 7.5%
Above 51	**1% - 3.8%**	1% - 3.8%	1% - 3.8%

16.4 Sensitivity analysis

	Change (bps)	***Increase (decrease)***		
		31 Dec 2019	31 Dec 2018	31 Dec 2017
Discount rate	**+100**	**(8,849)**	(10,475)	(10,612)
	- 100	**10,502**	11,831	11,980
Increments	**+100**	**11,114**	7,752	8,326
	- 100	**(9,535)**	(7,118)	(7,637)

All amounts in Saudi Riyals thousands

17 DEFERRED REVENUE

	Notes	**31 Dec 2019**	31 Dec 2018	31 Dec 2017
Balance at beginning of the year		**68,071**	83,560	75,352
Deferred during the year		**210,254**	52,744	50,124
Recognised during the year		**(39,561)**	(68,233)	(41,916)
Balance at end of the year		**238,764**	68,071	83,560
Less: current portion	18	**(62,719)**	(963)	-
Non-current portion at end of the year		**176,045**	67,108	83,560

18 ACCOUNTS PAYABLES AND ACCRUALS

	Notes	**31 Dec 2019**	31 Dec 2018	31 Dec 2017
Accounts payable	18.1	**1,759,527**	1,668,280	1,282,471
Accrued expenses and other liabilities	18.2	**1,279,101**	843,786	721,146
Payable to a shareholder of equity accounted investee	18.3	**-**	819,197	-
Salaries and benefits payable		**170,247**	172,799	147,053
Financial charges on letters of guarantee and loans		**65,784**	190,911	149,320
Value added tax payable		**49,708**	42,158	7,962
Deferred revenues	17	**62,719**	963	-
Lease liabilities		**4,233**	-	-
Other payables		**48,467**	22,194	65,963
		3,439,786	3,760,288	2,373,915

18.1 Accounts payable include SR 306.9 million (31 Dec 2018: SR 312.1 million, 31 Dec 2017: SR 130.4 million) on account of fuel charges due to supplier. The fuel cost is a pass through to NEPCO, the off-taker.

The payments by NEPCO are back stopped by a Government of Jordan guarantee. The Government of Jordan has an ownership interest in both CEGCO and NEPCO (note 11.2).

18.2 The balance includes reinsurance liabilities and premiums payable amounting to SR 862.4 million (31 Dec 2018: SR 323.9 million, 31 Dec 2017: SR 330.2 million). Related insurance receivable is included in prepayments, insurance and other receivables (note 11.3).

18.3 The balance as of 31 December 2018 represents payable to a minority shareholder in respect of purchase of additional shareholding in an equity accounted investee and a subsidiary (note 7 & note 14).

18.4 Other liabilities, shown under non-current liabilities, amounting to SR 252.1 million (31 Dec 2018: SR 201.5 million, 31 Dec 2017: SR 200.3 million) primarily includes non-current lease liabilities and obligation in relation to long-term spares agreement entered in by one of the Group's subsidiaries, First National Operation & Maintenance Company ("NOMAC").

19 SHORT-TERM FINANCING FACILITIES

This represents working capital loans obtained and drawn by subsidiaries and outstanding at the reporting date amounting to SR 444.2 million (2018: SR 618.9 million, 2017: SR 259.5 million).

20 ZAKAT AND TAXATION

20.1 Amounts recognized in profit or loss

	Notes	**31 Dec 2019**	31 Dec 2018	31 Dec 2017
Zakat and current tax	20.2 and 20.4	**105,160**	50,142	100,832
Deferred tax	20.5	**(26,418)**	(248,372)	81,616
Zakat and tax (credit) / charge		**78,742**	(198,230)	182,448
Less: Tax credit / (charge) from discontinued operation	32.4	**(4,734)**	238,172	11,577
Zakat and tax expense reflected in profit or loss		**74,008**	39,942	194,025

All amounts in Saudi Riyals thousands

20 ZAKAT AND TAXATION (CONTINUED)

20.2 Zakat

Pursuant to the investment by International Finance Corporation ("IFC") in the Company on 17 September 2014; the Company is assessed as a mixed entity in Saudi Arabia commencing from 2014. As at 31 December 2019, the non-Saudi shareholder owns 4.30% (2018: 4.30%, 2017: 5.07%) of the Company's shares and the remaining 95.70 (2018: 95.70%, 2017: 94.93%) is owned by Saudi shareholders.

Prior to 2014, the Group was subject to a consolidated zakat assessment, wherein wholly-owned subsidiaries (either direct subsidiaries or subsidiaries of direct subsidiaries) were consolidated for the purpose of zakat assessment. Pursuant to the change in shareholding in 2014, the Company is assessed on an unconsolidated basis for zakat.

The Company has filed zakat returns for all the years up to 2018. The General Authority for Zakat and Tax ("GAZT") has sought certain clarifications on the years from 2009 to 2016 and the Company has filed the response. However, no final Zakat assessment has been issued yet, in respect of the Zakat returns filed for these years. For the years 2017 and 2018, GAZT is yet to start the process of tax audit.

The principal elements of the zakat base attributable to Saudi shareholders are as follows:

	31 Dec 2019	31 Dec 2018	31 Dec 2017
Shareholder's equity	**12,780,787**	7,404,171	8,097,517
Zakatable / adjusted (loss) profit for the year	**151,863**	(1,624,263)	76,623
Non-current liabilities	**49,231**	39,810	28,089
Book value of long term assets	**(12,396,479)**	(7,028,481)	(10,614,840)
Zakat base	**585,402**	(1,208,763)	(2,412,611)

20.3 Taxation

Taxation summaries of the Company and its major subsidiaries, which are subject to tax in their respective jurisdictions, are set out below:

ACWA Power (the Company)

IFC, non-Saudi shareholder of the Company, is exempt from income tax in the Kingdom of Saudi Arabia as confirmed by GAZT as per letter dated 15/7/1436/H, NO 4954/16/1436 and therefore no tax is levied on the Company in the Kingdom of Saudi Arabia.

ACWA Barka (Oman) ("Barka")

Barka has filed its tax returns for the periods up to 31 December 2018. The assessments for the years 2001 to 2012 were finalised by the Department of Taxation out of which Barka has assessed losses for the years till 2009.

In accordance with Royal Decree No. 54/2000, Barka was exempted from income tax for a period of five years with effect from commencement of operations of the project i.e. from 11 June 2003 to 10 June 2008 (the Tax Holiday Period). At the time of issuance of the Royal Decree, Barka was eligible to carry forward its tax losses indefinitely pursuant to the provisions of the Foreign Capital investment Law. However, the Department of Taxation, ruled that tax losses relating to the Tax Holiday Period cannot be carried forward which was contested by Barka at different Appellate and Court forums through 2008 to 2017 including appeal at the Omani Supreme Court.

During March 2018, the Company received the final written judgment of Supreme Court on the issue of carry forward of tax losses incurred during the tax exemption period (2003 - 2008) and disallowance of the technical services fees. The written decision of the Supreme Court confirmed that Barka is not eligible to carry forward its tax losses related to tax holiday period while on the issue of disallowance of Technical Services Fee, the Supreme Court decided in favour of Barka. Also, the department of tax has, in its assessments for the years 2010 to 2012 allowed fully the technical fees paid by Barka. The impact of this ruling was fully incorporated in the financial statements for the year ended 31 December 2017.

Further during 2018, the tax department also issued Order Giving Effect ("OGE") to the Supreme Court judgment issued for the Tax Years 2006-2009 in which it allowed for the tax depreciation of project development and technical services fees incurred by the Company during the Tax Year 2003 and also allowed for non capitalised technical services fees incurred during respective Tax Years. In view of the Supreme Court verdict, the tax losses incurred during the tax exemption period are not allowed to be carried forward. Revised assessment orders until the Tax Year 2009 show a tax loss position for Barka.

All amounts in Saudi Riyals thousands

20 ZAKAT AND TAXATION (CONTINUED)

20.3 Taxation (continued)

ACWA Barka (Oman) ("Barka") (continued)

For the FY 2010-12 the tax department issued the revised OGE and tax demand to pay the outstanding tax liability of SR 21.6 million plus additional tax of SR 4.9 million. The Company settled this tax liability without paying any additional tax and submitted a request to the tax department to reverse the additional tax wrongly imposed in their demand.

Further, the assessment process has started for 2013-2017 started.

No other tax related matters are outstanding in Commercial Courts as of the financial statements approval date.

CEGCO (Jordan)

CEGCO has submitted its income tax returns for Aqaba location up to 2018. Final clearance has been received from the Income & Sales Tax Department for Aqaba location up to 2015.

CEGCO has also submitted its income tax returns separately for operation other than Aqaba up to 2018. Final clearance has been received from the Income & Sales Tax Department up to 2018.

Morocco (Project Companies)

Under the investment agreement with the Government of Morocco, a customs duty exemption is available to the Projects. Corporate income tax is payable by the Project Company on its profits at the domestic tax rates (progressive rates and the maximum being 31%). Moroccan Tax Department has issued notice, seeking clarification to ACWA Power Ouarzazate (APO) on its tax returns for the years 2015-2018. APO has submitted its response, no assessment has yet been completed.

NOMAC Saudi Arabia

During prior years, the Company received an assessment of SR 7.7 million for the years from 2008 until 2012. During 2017, GAZT revised the assessment for the years from 2008 until 2012 resulting in a reduced demand of SR 4.4 million. During 2018, the Company received an assessment of SR 7.6 million for the years from 2013 to 2016. The Company has filed appeals against each of these assessments to the GAZT. Currently, these appeals are raised to the General Secretariat of Tax Committees ("GSTC"). The Company expects a favourable outcome of its appeals filed with GSTC and therefore, no provision has been made for these in the consolidated financial statements. The Company has also submitted its zakat declaration for the years 2017 and 2018, which is still under review by the GAZT.

Nomac Oman

In 2018, The Department of Taxation completed the assessments for tax years 2012 to 2016 by disallowing 50% of the technical service fees paid to ACWA Power Barka Project TSA Company and assessed an additional tax liability amounted to RO 160,575. The Company has filed an appeal against the objection decision. The management is confident of a favorable outcome during the appeal process based on Company's internal and external tax advisors view and similar outcomes that have happened within the Group in same jurisdictions. However, management has provided additional tax provision of RO 226,153 in 2019 (2018: RO Nil) in this regards. The Secretariat General for Taxation ("SGT") has not yet initiated the tax assessments for Tax years 2017 and 2018.

20.4 Zakat and current tax provision for the year

The movement in zakat and tax provision for the year was as follows:

	31 Dec 2019	31 Dec 2018	31 Dec 2017
At the beginning of the year	**113,764**	110,045	46,242
Charge for the year	**105,160**	50,142	100,832
Payments	**(30,427)**	(46,423)	(37,029)
Derecognised on loss of control	**(5,086)**	-	-
At the end of the year	**183,411**	113,764	110,045

All amounts in Saudi Riyals thousands

20 ZAKAT AND TAXATION (CONTINUED)

20.5 Deferred tax - Movement in deferred tax balances

The deferred tax asset / (liability) and deferred tax credit / (charge) in the consolidated financial statements are attributable to the following items:

						As at 31 Dec		
	Net balance at 1 Jan	**Recognised in profit or loss**	**Recognised in OCI including currency translation differences**	**Business Combination**	**De-recognition on loss of control of a subsidiary or classification as held for sale**	**Net balance**	**Deferred tax assets**	**Deferred tax liabilities**
2019								
Property, plant and equipment	**(577,790)**	**13,597**	**-**	**(29,932)**	**343,573**	**(250,552)**	**-**	**(250,552)**
Unused tax losses	**338,907**	**(6,069)**	**-**	**-**	**(332,838)**	**-**	**-**	**-**
Fair value of derivatives	**19,149**	**-**	**4,549**	**-**	**(23,698)**	**-**	**-**	**-**
End-of-service employee benefit liability	**6,262**	**(494)**	**-**	**-**	**-**	**5,768**	**5,768**	**-**
Accruals, provisions and others	**1,725**	**19,384**	**-**	**-**	**(3,417)**	**17,692**	**17,692**	**-**
	(211,747)	**26,418**	**4,549**	**(29,932)**	**(16,380)**	**(227,092)**	**23,460**	**(250,552)**
2018								
Property, plant and equipment	(582,478)	247,802	(34,343)	-	(208,771)	(577,790)	(337,022)	(240,768)
Unused tax losses	337,421	1,486	-	-	-	338,907	338,907	-
Fair value of derivatives	8,930	-	15,048	-	(4,829)	19,149	19,149	-
End-of-service employee benefit liability	5,860	148	254	-	-	6,262	6,262	-
Accruals, provisions and others	2,789	(1,064)	-	-	-	1,725	6,733	(5,008)
	(227,478)	248,372	(19,041)	-	(213,600)	(211,747)	34,029	(245,776)
2017								
Property, plant and equipment	(345,888)	(236,590)	-	-	-	(582,478)	(327,229)	(255,249)
Unused tax losses	181,961	155,460	-	-	-	337,421	337,421	-
Fair value of derivatives	10,801	-	(1,871)	-	-	8,930	8,930	-
End-of-service employee benefit liability	5,815	45	-	-	-	5,860	5,860	-
Accruals, provisions and others	3,320	(531)	-	-	-	2,789	2,789	-
	(143,991)	(81,616)	(1,871)	-	-	(227,478)	27,771	(255,249)

All amounts in Saudi Riyals thousands

21 DERIVATIVES AND CASH FLOW HEDGES

As per the provisions of facility agreements, certain equity accounted investees and subsidiaries are required to hedge the interest rate risk on loans obtained by them. These equity accounted investees and subsidiaries use derivative financial instruments to hedge their foreign currency exposures to mitigate the interest rate risk and/or foreign currency risk, which qualify to be designated as cash flow hedges. The Group's share of changes in effective cash flow hedge reserves, subsequent to acquisition is recognised in its equity. The Group also uses foreign exchange forward contracts to manage some of its transaction exposures.

Also, under shareholders' agreement, the Group holds put and call options on the equity ownership of another shareholder in an equity accounted investee. These are measured as derivatives with changes in fair value recognised in profit or loss.

The tables below show a summary of the hedged items, the hedging instruments, trading derivatives and their notional amounts and fair values for the Company and its subsidiaries. The notional amounts indicate the volume of transactions outstanding at the reporting date and are neither indicative of market risk nor credit risk.

		Notional			*Positive fair value*			*Negative fair value*		
		31 Dec 2019	31 Dec 2018	31 Dec 2017	**31 Dec 2019**	31 Dec 2018	31 Dec 2017	**31 Dec 2019**	31 Dec 2018	31 Dec 2017
Hedged items	***Hedging instruments***									
Interest payments on floating rate loans	Interest rate swaps	**3,556,687**	2,951,658	4,693,954	-	12,817	-	**(325,351)**	(125,587)	(180,627)
Highly probable forecast transactions	Forward foreign exchange contracts	**87,610**	29,776	145,864	-	-	-	**(12,974)**	(17,624)	(25,774)
Foreign currency interest payments on floating rate loans	Cross-currency interest rate swap	-	125,250	129,849	-	456	-	-	-	(6,281)
					-	13,273	-	**(338,325)**	(143,211)	(212,682)
Trading derivatives										
Equity options - Purchased call option		-	-	550,545	-	-	64,047	-	-	-
Total					-	13,273	64,047	**(338,325)**	(143,211)	(212,682)
Less: Current portion					-	-	-	**(51,883)**	(10,613)	(85,861)
Non-current portion					-	13,273	64,047	**(286,442)**	(132,598)	(126,821)

Derivatives often involve at their inception only a mutual exchange of promises with little or no transfer of consideration. However, these instruments frequently involve a high degree of leverage and are very volatile. A relatively small movement in the value of the rate underlying a derivative contract may have a significant impact on the income or equity of the Group.

All amounts in Saudi Riyals thousands

22 RELATED PARTY TRANSACTIONS AND BALANCES

22.1 Significant transactions with related parties during the period and significant balances at the reporting date are as follows:

Particulars	*Notes*	*Relationships*	*As at / For the year ended*		
			31 Dec 2019	31 Dec 2018	31 Dec 2017
Transactions:**					
Revenue		Affiliates	**2,121,218**	1,429,192	1,557,647
Service fees		Joint ventures	**60,597**	55,845	75,135
Finance income		Joint venture	**2,763**	16,942	10,087
Financial charges on loan to a related party	29	Affiliates	**4,552**	4,668	4,876
Key management personnel compensation including director's remuneration		-	**36,564**	32,229	41,029
Due from related parties					
Current :					
Al Mourjan for Electricity Production Company	(a)	Joint venture	**110,980**	67,084	165,374
Rabigh Electricity Company	(a)	Joint venture	**52,081**	24,239	22,826
Rabigh Arabian Water & Electricity Company	(a)	Joint venture*	**-**	120,355	104,104
Rabigh Arabian Water & Electricity Company – Loan	(d)	Joint venture*	**-**	-	299,557
Rakaa and its affiliates		Affiliates	**-**	-	53,726
Shuqaiq Water and Electricity Company	(a)	Joint venture	**43,817**	27,226	27,755
Shuaibah Water and Electricity Company	(a)	Joint venture	**31,429**	27,758	21,555
Shuaibah Expansion Project Company	(a)	Joint venture	**10,086**	8,361	8,573
Hajr for Electricity Production Company	(a)	Joint venture	**122,751**	71,415	131,159
ACWA Guc Isletme Ve Yonetim Sanayi Ve Ticaret	(a)	Joint venture	**1,013**	85,846	-
Dhofar O&M Company	(e)	Joint venture	**34,495**	10,733	-
Hassyan Energy Phase 1 P.S.C	(e)	Joint venture	**30,094**	11,241	7,188
ACWA Power Oasis Three	(e)	Joint venture	**7,355**	52,530	-
Noor Energy 1 P.S.C	(a)	Joint venture	**14,617**	82,503	-
Taweelah RO Desalination Company LLC	(f)	Joint venture	**89,548**	-	-
Naqa Desalination Plant LLC	(f)	Joint venture	**50,468**	-	-
Haya Power & Desalination Company	(f)	Joint venture	**2,046**	120,263	-
Ad-Dhahirah Generating Company SAOC	(a),(e)	Joint venture	**10,849**	718	-
Shinas Generating Company SAOC	(a),(e)	Joint venture	**7,124**	705	-
Saudi Malaysia Water and Electricity Company	(e)	Joint venture	**4,272**	51	-
ACWA Power Renewable Energy Holding Company	(e)	Joint venture	**34,889**	-	-
Other related parties		Affiliates	**56,278**	45,488	13,082
			714,192	756,516	854,899
Non-current :					
Hassyan Energy Phase 1 P.S.C	(g)	Joint venture	**61,612**	61,612	61,612
ACWA Guc Isletme Ve Yonetim Sanayi Ve Ticaret	(i)	Joint venture	**49,646**	-	-
Qurayyah Investment Company	(e)	Joint venture	**-**	10,372	10,372
			111,258	71,984	71,984
Due to related parties					
Non-current :					
ACWA Power Renewable Energy Holding Company	(b)	Joint venture	**781,035**	-	-
Loans from minority shareholders of subsidiary	(c)	-	**79,167**	81,176	84,795
Samsung C&T Corporation	(h)	Shareholder of affiliate	**-**	-	57,583
			860,202	81,176	142,378

* *RAWEC became subsidiary of the Group effective from 10 October 2019 – refer note 31.*

** *Other transactions with shareholders of the Company and its equity accounted investees are disclosed in note 31 and note 32.2 respectively.*

All amounts in Saudi Riyals thousands

22 RELATED PARTY TRANSACTIONS AND BALANCES (CONTINUED)

(a) Due from project companies mainly include amounts due by project companies to NOMAC (and its subsidiaries) for O&M services provided to these project companies under O&M contracts.

(b) During the year 2018, ACWA Renewable Energy Holdings Limited (“APREH”) entered in to a convertible loan agreement whereby amounts drawn down under such agreement was advanced to the ACWA Power Global Services (“APGS”), a fully owned subsidiary of the Company, through an intra-group shareholder advance agreement (‘the agreement”). An amount of SAR 1,361.2 million was advanced to APGS and bears a commission rate of 4.3% per anum for first 18 months and 3.4% per anum thereafter on the capital outstanding. The debt is guaranteed by ACWA Power (i.e. recourse to ACWA Power).

During 2019, an amount of SR 580.6 million adjusted against the advance, which represents a consideration for sale of 49% shares of the Group in APREH – refer note 32.1.

(c) These represent shareholder loans to ACF Renewable Energy Limited. The loans are due for repayment on 31 August 2024 and carry profit rate at 5.75% per annum.

(d) The amount outstanding as of 31 December 2017 represent the subordinated loan to an equity accounted investee which carried a profit rate of LIBOR plus an agreed margin. During 2018, the entire balance was capitalised as an investment in equity accounted investees.

(e) The balance represents advance provided to related parties that has no specific repayment and bears no profit rate.

(f) This represents receivable on account of development fee and reimbursement of cost incurred on behalf of the Joint Venture.

(g) The balance represents sub-ordinated advance provided to related parties that has no specific repayment and bears no profit rate. As per the terms of the agreement the advance repayment will not occur for at least a period of one year. Accordingly, the balance is shown as a non-current asset.

(h) The balance outstanding as of 31 December 2017 represents shareholder loan obtained by ACWA Guc that had a maturity in 2031 and carried a profit rate of LIBOR plus 5% per annum. ACWA Guc is deconsolidated effective from 16 December 2018 (refer note 31).

(i) This represents amounts payable to NOMAC for O&M services provided to the project company under O&M contracts. The amount will mature in 2023.

23 REVENUE

	Notes	**31 Dec 2019**	31 Dec 2018	31 Dec 2017
Services rendered	23.1	**2,045,639**	1,692,870	1,712,720
Sale of electricity - Capacity	23.2	**891,329**	637,709	567,924
Energy		**425,705**	553,780	730,603
Sale of water - Capacity		**301,126**	152,151	333,476
Output		**131,245**	46,154	83,641
Finance lease income	8	**319,955**	145,169	88,763
		4,114,999	3,227,833	3,517,127

23.1 This primarily includes revenue earned by NOMAC and its group entities, in relation with operation and maintenance services provided. This also includes development revenue together with other technical, project management and construction management services.

23.2 Sale of electricity during the period includes SR 402.5 million (31 Dec 2018: SR 581.6 million, 31 Dec 2017: SR 802.7 million) relating to electricity supplied by CEGCO to NEPCO, the off-taker. This includes fuel cost of SR 58.9 million (31 Dec 2018: SR 247.8 million, 31 Dec 2017: SR 436.7 million) which is currently on a pass through arrangement to NEPCO. The Government of Jordan has an ownership interest in CEGCO and NEPCO.

All amounts in Saudi Riyals thousands

24 OPERATING COSTS

	Notes	**31 Dec 2019**	31 Dec 2018	31 Dec 2017
Natural gas and fuel cost		**261,327**	534,082	787,920
Direct material cost		**466,208**	486,127	403,728
Staff cost		**415,151**	360,106	333,259
Depreciation	5.4	**279,683**	205,563	185,308
Operating and technical fee		**352,473**	206,727	297,771
Other direct overheads		**151,046**	125,682	69,426
		1,925,888	1,918,287	2,077,412

25 GENERAL AND ADMINISTRATION EXPENSES

	Notes	**31 Dec 2019**	31 Dec 2018	31 Dec 2017
Salaries and other employee benefits		**413,707**	377,030	335,520
Provisions		**22,350**	22,853	100,639
Professional and legal fees		**71,102**	58,078	64,687
Rent and utilities expenses		**18,768**	40,829	36,744
Travel expenses		**29,882**	26,693	29,448
Depreciation expense	5.4	**33,794**	15,897	18,070
Communication and subscription costs		**16,757**	20,722	15,987
Public relation expenses		**8,475**	2,045	13,865
Repairs and maintenance expenses		**3,778**	8,899	12,386
Directors' remuneration		**8,836**	8,577	9,618
Others		**53,946**	28,985	50,237
		681,395	610,608	687,201

26 OTHER INCOME

	Notes	**31 Dec 2019**	31 Dec 2018	31 Dec 2017
Income earned on deposits		**113,668**	64,948	23,004
Gain on partial disposal of equity accounted investee	7.2	**-**	-	65,367
Net gain on business combination achieved in stages	31	**210,673**	-	-
Others		**12,479**	-	6,348
		336,820	64,948	94,719

26.1 In addition to the amounts mentioned in the above table, income in relation to technical, operational, construction and other financial services amounting to SR 140.6 million (31 Dec 2018: SR 160.3 million, 31 Dec 2017: SR 210.6 million) has been presented as other operating income.

27 IMPAIRMENT LOSS AND OTHER EXPENSES, NET

	Notes	**31 Dec 2019**	31 Dec 2018	31 Dec 2017
Impairments loss	27.1	**880,203**	556,437	15,055
Liquidated damages, net of recoveries	27.2	**39,268**	67,311	-
		919,471	623,748	15,055

27.1 Impairments loss

	Notes	**31 Dec 2019**	31 Dec 2018	31 Dec 2017
Impairment loss on property, plant and equipment	27.1.1 / 5.3	**877,203**	443,937	-
Impairment loss on goodwill	6	**3,000**	112,500	15,055
		880,203	556,437	15,055

All amounts in Saudi Riyals thousands

27 IMPAIRMENT LOSS AND OTHER EXPENSES, NET (CONTINUED)

27.1 Impairments loss (continued)

Impairment loss relates to the impairment in the carrying value of property, plant and equipment of the Group's subsidiaries as follows:

Barka:
ACWA Power Barka SAOG's existing PWPA in relation to Power and RO Plants ("Plants") are expiring on 31 December 2021. Considering the uncertainty around contract renewals at this stage, there was an impairment assessment done under IFRS to test the Plants recoverable value against its carrying value. Based on the assessment carried out by the Group, the Plants recoverable value was lower by SR 789.5 million (2018: 309.7 million, 2017: Nil) than its carrying value. This impact was taken to the income statement of the current year as required by IAS 36 "Impairment of Assets".

Recoverable value was estimated based on value in use method as it reflects more accurately the manner in which the economic benefits embodied in the asset are expected to be realised by the entity. All future cash flows were based on management's best estimate about the future course of action Barka may likely carry out. A pre-tax discount rate of 8.2% (2018: 6.6%) was used in assessing the Present Value (PV) of future cash flows.

CEGCO:
During 2018, one of the Group's subsidiaries, namely CEGCO, management noted an impairment of SR 63.9 million in one of the operating unit, accordingly this amount has been recorded in profit or loss of the year.

Bowarege:
Bowarege's off take agreement expired in 2017 and since then the WPA has not been renewed. Accordingly, considering the uncertainty involved with respect to further operations, the management of Bowarege decided to fully impair the assets. Impairment loss recorded in income statement amounts to SAR 87.7 million (2018: SR 70.4 million).

27.2 Liquidated damages, net of recoveries

	31 Dec 2019	31 Dec 2018	31 Dec 2017
Liquidated damages expense	**108,260**	146,364	-
Liquidated damages recovery	**(68,992)**	(79,053)	-
	39,268	67,311	-

This represents liquidated damages due to or paid to off taker in accordance with terms of power and water purchase agreements on account of delay in achievement of commercial operation or generating lower than the required output during peak hours. Liquidated damages presented in profit or loss are net of any liquidated damages negotiated with EPC contractor by the Group's subsidiaries.

28 EXCHANGE (LOSS) / GAIN, NET

	31 Dec 2019	31 Dec 2018	31 Dec 2017
Realised exchange gain / (loss)	**11,464**	164	(41,394)
Unrealised exchange (loss) / gain	**(40,570)**	(8,740)	51,518
	(29,106)	(8,576)	10,124

29 FINANCIAL CHARGES, NET

	Notes	31 Dec 2019	31 Dec 2018	31 Dec 2017
Financial charges on borrowings		**790,514**	498,995	266,591
Financial charges on letters of guarantee		**29,160**	65,209	41,022
Financial charges on loans from a related party	22.1	**4,552**	4,688	4,876
Other financial charges	29.1	**45,636**	1,763	5,461
		869,862	570,655	317,950

29.1 Other financial charges includes interest amortization on long-term liabilities amounting to SR 16.0 million (2018: SR 1.8 million, 2017: SR 5.5 million); and discounting of long term receivables amounting to SR 24.4 million (2018 & 2017: SR nil).

30 EARNINGS / (LOSS) PER SHARE

30.1 The weighted average number of shares outstanding during the period (in thousands) are as follows:

	31 Dec 2019	31 Dec 2018	31 Dec 2017
Issued ordinary shares as at	**645,763**	645,763	547,604
Weighted average number of ordinary shares outstanding during the year ended	**645,763**	596,280	547,604

30.2 The basic and diluted earnings / (loss) per share are calculated as follows:

Net profit / (loss) for the year attributable to equity holders of the Parent	**1,173,865**	(773,842)	920,240
Profit for the year from continuing operations attributable to equity holders of the Parent (note 37.3)	**633,959**	755,945	789,519
Basic and diluted earnings / (loss) per share (in SR)	**1.82**	(1.30)	1.68
Basic and diluted earnings per share for continuing operations (in SR)	**0.98**	1.27	1.44

31 BUSINESS COMBINATION ACHIEVED IN STAGES

On 24 May 2018, the Group exercised call option granted through a Call and Put Option Agreement and acquired 37% interest in Rabigh Arabian Water and Electricity Company ("RAWEC" or "the Investee"). During 2018, the Group continued to account for its Investment in RAWEC using equity method as the Investee was controlled jointly with remaining shareholders. The option exercise resulted in a one-off gain of SR 386.95 million. In accordance with the requirements of IFRS as endorsed in KSA, the gain was included within share in net results of RAWEC for the year ended 31 December 2018.

On 10 October 2019, the Group completed acquisition of further 25% shareholding in RAWEC at an agreed consideration of SAR 560.2 million. Consequently, the Group acquired a control over the Investee and its effective shareholding increased from 74% to 99%.

These consolidated financial statements include the results of RAWEC as the Group's subsidiary with effect from 10 October 2019. If the combination had taken place at the beginning of the year, the net profit after tax would have been higher by SR 77.9 million.

All amounts in Saudi Riyals thousands

31 BUSINESS COMBINATION ACHIEVED IN STAGES (CONTINUED)

Fair value of assets acquired and net gain on business combination achieved in stages are as follows:

	Notes	**As of 10 Oct 2019**
Fair value of net assets as of acquisition date		
Property plant and equipment, net	*5*	**6,912,698**
Inventories		**150,400**
Accounts receivable, prepayments and other receivables		**129,898**
Cash and cash equivalents		**78,524**
Loans and borrowings		**(3,763,260)**
Deferred tax liability	*20.5*	**(29,932)**
Employee benefits		**(826)**
Payable and accruals		**(178,515)**
Fair value of net assets acquired		**3,298,987**

		For the period ended 10 Oct 2019
Gain on business combination		
Fair value of net assets acquired		**3,298,987**
Less: Carrying amount of existing equity interest	*7.1*	**(2,495,105)**
Fair value of consideration paid		**(560,219)**
Non-controlling interest		**(32,990)**
Net gain on business combination achieved in stages*	*26*	**210,673**
Cash outflow on acquisition		
Net cash acquired with subsidiary		**78,524**
Cash consideration		**(560,219)**
Net cash outflow on acquisition		**(481,695)**

** This includes a one of loss on re-measurement to fair value of the Group's existing 74% interest in RAWEC amounted to SAR 53.507 million.*

The Group has elected to measure the non-controlling interests in the acquiree at fair value.

On acquisition date, the Group has assessed the value of property plant and equipment of acquiree and resulted in fair value uplift of SAR 588.4 million in the consolidated financial statements of the Group. External valuation experts were engaged to determine the fair value.

32 DISCONTINUED OPERATION

32.1 ACWA Power Renewable Energy Holding Limited

During 2018, ACWA Power Renewable Energy Holding Limited ("APREH"), a 100% owned subsidiary of the Group, entered in to a convertible loan agreement ("the Agreement") with CVXF Inc. (the "Purchaser" or the "Lender"). Under the Agreement, APREH borrowed a sum of SAR 1,361.4 million which provides the Lender an option to convert all or a portion of the loan's principal amount into the shares of APREH at agreed conversion price.

All amounts in Saudi Riyals thousands

32 DISCONTINUED OPERATION (CONTINUED)

32.1 ACWA Power Renewable Energy Holding Limited (continued)

Pursuant to the option available under the Agreement, the Purchaser used a portion of loan amount to purchase 49% of the Group's shareholding in APREH at an agreed consideration of SAR 580.65 million. All critical conditions in relation to share purchase were completed by 31 December 2019. As per the new shareholder agreement, the Group and the Purchaser will jointly control APREH. Hence, in accordance with IFRS 10 – Consolidated Financial Statements, the Group lost control in APREH and deconsolidated its net assets. The Group's remaining interest in APREH is retained at fair value and accounted for using equity method effective from the date of loss of control. The Group also recognized a gain of SAR 554.4 million on loss of control as follows:

	31 Dec 2019
Fair value of consideration received	**580,650**
Fair value of retained investment	**604,350**
Carrying amount of non-controlling interest derecognized	**265,852**
Carrying amount of net assets derecognized*	**(733,876)**
Accumulated currency translation loss and other reserves recycled to profit or loss from OCI	**(162,618)**
Net gain on loss of control in APREH	**554,358**

* *This includes goodwill associated with UPC, investment in equity accounted investees and PPE amounting to SR 6.5 million, SR 119.0 million and SR 2,445.1 million respectively.*

Results of APREH for the years 2019, 2018 and 2017 are disclosed in note 32.4

32.2 ACWA Guc Elektrik Isletme Ve Yonetim Sanayi Ve Ticaret A.S.

On 16th December 2018, certain shareholders of the Company (hereinafter referred as "the Acquirer") acquired an effective 30% interest in a wholly owned subsidiary of the Group, ACWA Guc Elektrik Isletme Ve Yonetim Sanayi Ve Ticaret A.S. ("ACWA GUC") at fair value. As part of the transaction, the Acquirer entered in a joint venture agreement based on which the decisions for the relevant activities that most significantly affect the returns of ACWA GUC will be taken jointly by the Group and the Acquirer. These activities include decisions relating to establishing operating and capital decisions, appointing the key management personnel or other service providers, decisions about capital additions to power plant facilities, decisions on financing agreements, decisions on the operation and maintenance of the power plant and selection of suppliers and the daily decisions on gas supply and on power sales that impact ACWA GUC's returns.

Consequently, the Group lost control in ACWA GUC and deconsolidated its net assets and recognised a loss of SR 672.0 million. Further, at the date of the joint venture agreement, fair value of the Group's remaining 70% ownership in ACWA GUC was assessed as nil by the Group and the management has started to account for ACWA GUC using the equity method of accounting in accordance with the requirements of *IFRS 11 – Joint Arrangements.*

Summary of the loss recognised on loss of control is as follows:

	31 Dec 2018
Carrying amount of net liabilities derecognised	(390,813)
Fair value of consideration received	-
	(390,813)
Accumulated currency translation loss recycled to profit or loss from OCI	141,330
Accumulated hedge reserve recycled to profit or loss from OCI	47,711
Additional liabilities assumed on loss of control	873,726
Total loss recognised on loss of control	671,954

All amounts in Saudi Riyals thousands

32 DISCONTINUED OPERATION (CONTINUED)

32.2 ACWA Guc Elektrik Isletme Ve Yonetim Sanayi Ve Ticaret A.S. (continued)

In addition to above the Group has consolidated losses amounting to SAR 1,038.6 million till 16 December 2018 from the date of initial investment in ACWA GUC. Results of ACWA GUC for the year 2019, 2018 and 2017 are disclosed in note 32.4.

32.3 ACWA Power CF Karad PV Park EAD

On 14 December 2019, the Group entered in to sale and purchase agreement, with Energy Development GMBH with respect to disposal of its entire shareholding in ACWA Power CF Karad PV Park (“Karad”). Legal formalities with respect to disposal are not completed as of 31 December 2019.

For the purpose of these consolidated financial statements, assets and liabilities of Karad are presented as held for sale. Statement of financial position of Karad as of 31 December is as follows:

	31 Dec 2019
Assets	
Property plant and equipment, net	**422,394**
Accounts receivable, prepayments and other receivables	**2,434**
Cash and cash equivalents	**50,574**
Assets held for sale	**475,402**
Liabilities	
Loans and borrowings	**328,004**
Deferred tax liability	**9,741**
Deferred revenue	**2,126**
Payable, accruals and other liabilities	**33,156**
Liabilities associated with assets held for sale	**373,027**
Other reserves associated with assets held for sale (note 13.2)	**(16,087)**

Results of Karad for the year 2019, 2018 and 2017 are disclosed in note 32.4.

All amounts in Saudi Riyals thousands

32 DISCONTINUED OPERATION (CONTINUED)

32.4 Results of discontinued operations for the years 2019, 2018 and 2017 are as follows:

	Notes	**ACWA GUC**			**APREH**			**KARAD**			**Total**		
For the year ended 31 December		**2019**	2018	2017	**2019**	2018	2017	**2019**	2018	2017	**2019**	2018	2017
Revenue		-	686,492	197,805	**372,471**	267,657	176,193	**65,989**	68,631	69,194	**438,460**	1,022,780	443,192
Operating costs		-	(748,339)	(24,583)	**(94,563)**	(60,306)	(44,731)	**(27,177)**	(24,058)	(50,408)	**(121,740)**	(832,703)	(119,722)
Development cost and other write offs		-	-	-	-	(11,953)	-	-	-	-	-	(11,953)	-
General and administration expenses		-	(19,033)	(17,498)	**(71,722)**	(73,144)	516	**(7,082)**	(7,107)	(43,920)	**(78,804)**	(99,284)	(60,902)
Share in net results of equity accounted investees		-	-	-	**659**	(7,049)	4,817	**-**	-	-	**659**	(7,049)	4,817
Other operating income		-	-	-	**16,225**	9,367	-	**-**	-	-	**16,225**	9,367	-
Impairment loss reversal		-	-	-	-	-	-	-	-	63,513	**-**	-	63,513
Other income		-	7,476	307	**19,786**	12,890	10,046	-	35	214	**19,786**	20,401	10,567
Liquidated damages recovery		-	129,535	-	-	-	-	-	-	-	-	129,535	-
Exchange loss, net*		-	(887,055)	(28,788)	**(2,147)**	(11,403)	47,565	**(2,429)**	6,163	(19,358)	**(4,576)**	(892,295)	(581)
Financial charges, net		-	(243,265)	(42,286)	**(240,137)**	(171,106)	(168,536)	**(25,152)**	(29,934)	(13,069)	**(265,289)**	(444,305)	(223,891)
Tax credit / (charge)		-	235,704	50	**(4,734)**	2,328	12,944		140	(1,417)	**(4,734)**	238,172	11,577
(Loss) / profit for the year ended 31 December		-	(838,485)	85,007	**(4,162)**	(42,719)	38,814	**4,149**	13,870	4,749	**(13)**	(867,334)	128,570
Gain / (loss) recognised on loss of control	32.1,32.2	-	(671,954)	-	**554,358**	-	-	**-**	-	-	**554,358**	(671,954)	-
Profit / (loss) from discontinued operations including gain / (loss) recognised on loss of control in a subsidiary		-	(1,510,439)	85,007	**550,196**	(42,719)	38,814	**4,149**	13,870	4,749	**554,345**	(1,539,288)	128,570

** Total exchange loss (net) includes unrealized exchange loss of SR nil (2018: SR 887.1 million, 2017: SR 28.8 million).*

All amounts in Saudi Riyals thousands

33 CONTINGENCIES AND COMMITMENTS

At 31 December 2019, the Group had outstanding contingent liabilities in the form of letters of guarantee, corporate guarantees issued in relation to bank facilities for project companies and performance guarantees amounting to SR 10.6 billion (31 Dec 2018: SR 9.0 billion, 31 Dec 2017: SR 8.9 billion). The amount also includes the Group's share of equity accounted investees' commitments.

Below is the breakdown of contingencies as of the reporting date:

	As at 31 Dec 2019	As at 31 Dec 2018	As at 31 Dec 2017
Guarantees in relation to equity bridge loans or equity letters of credits	**2,923,679**	1,666,704	1,930,274
Bonds, letter of credits and other contingencies and commitments	**7,647,665**	7,339,355	6,928,295
	10,571,344	9,006,059	8,858,569

In one of the Group's subsidiaries, "CEGCO", the fuel supplier ("Jordan Petrol Refinery PLC") has claimed an amount of SR 554.7 million, 2018: SR 527.0 million, 2017: SR 504.9 million, as an interest on late payment of the monthly fuel invoices. The Fuel Supply Agreement ("FSA") with the Supplier stipulates that the Supplier shall be entitled to receive interest on late payment of the unpaid invoices after 45 days from invoice. However, the FSA in Article 13.3 further provides that CEGCO shall not be liable for non-performance under the FSA and shall not be in default to the extent such non-performance or default is caused by the off-taker ("NEPCO"). Given the delay in making the fuel payments to the Supplier are caused by the delay in receipt of the fuel revenues from NEPCO, contractually the Supplier has no basis to claim for any delay interest from CEGCO. Hence, the management and its independent legal counsel are of the view that as per the terms of the FSA signed between the Supplier and CEGCO, the Supplier has no contractual basis to claim these amounts. Accordingly, no provision has been made in these consolidated financial statements.

Further, two of the Group's subsidiaries are in dispute with contractors in relation to performance liquidated damages. The matter has already been referred to arbitration and a favourable outcome is probable. Accordingly, no provision or asset is recognized in these consolidated financial statements.

In relation to certain equity accounted investees ("the Investees") of the Group, GAZT is currently in the process of performing Zakat audits for years from 2009-2018. It is likely that GAZT may raise an additional claim with respect to zakat and taxes for prior years. For the years where GAZT has raised an additional claim, the investees have submitted an objection against these assessments and believe that its positions will be upheld at Appeal level and the Investees will get full relief from any such claim. In few cases, the investees have agreed to settle amounts based on pre-agreed settlement with GAZT and the same is being currently finalised, amounts related to such settlement is already provided for in the investees financial statements. The Group's share in existing zakat and tax charge of the Investees are recorded in profit or loss along with share in net results of the Investees - refer note 7.1.

In one of the Group's Project under advance development stage (where Power Purchase Agreement is signed but financial close on senior debt has not been achieved), there is an uncured event of default as of the date of these consolidated financial statements. The exposure of the Group related to this project is as follows: (i) SR 2.9 million included in contingency and commitments given above; (ii) SR 34.1 million included in prepayments (note 11.3); and (iii) SR 50.6 million is included in project development cost (note 11.4). The off-taker has not called this event as a default and the management assesses a high likelihood that this events will be cured without material adverse impact on the Group, thus, no provision has been made in these consolidated financial statements of the Group as at 31 December 2019.

34 OPERATING SEGMENTS

Consistent with the Group's internal reporting process, business segments have been approved by management in respect of the Group's activities. The Group's operations are structured as follows:

Generation (Power & Water)
This segment comprises of power and water projects that are currently either operational or under construction. Typically, these projects have long term contracts with credit-worthy off-takers.

Services
This segment comprises of various services to other business segments including operation and maintenance ("O&M") services to the generation segment under long term contracts. The O&M services contracts have the same duration as that of the long term contracts of the project companies under the Generation segment. The management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment.

All amounts in Saudi Riyals thousands

34 OPERATING SEGMENTS (CONTINUED)

Segment performance is evaluated based on individual segment's profit or loss. Inter-segment revenues are eliminated on consolidation.

	Generation (Power& Water)	Services	Discontinued operation *	Total
31 December 2019				
External revenues	**2,082,410**	**2,032,589**	**438,460**	**4,553,459**
Inter-segment revenues	**-**	**353,043**	**-**	**353,043**
Total revenues	**2,082,410**	**2,385,632**	**438,460**	**4,906,502**
Segment profit before zakat, tax and impairment loss	**699,299**	**580,650**	**559,079**	**1,839,028**
Impairment (loss)	**(880,203)**	**-**	**-**	**(880,203)**
Financial charges, net	**577,947**	**291,915**	**265,289**	**1,135,151**
Exchange loss, net	**13,426**	**15,680**	**4,576**	**33,682**
Depreciation	**288,697**	**12,361**	**105,039**	**406,097**
Share in net results of equity accounted investees	**261,689**	**22,105**	**659**	**284,453**
Segment total assets	**29,995,694**	**7,276,441**	**475,402**	**37,747,537**
Equity accounted investees	**4,723,547**	**53,338**	**-**	**4,776,885**
Additions to property, plant and equipment	**2,009,740**	**36,136**	**-**	**2,045,876**
Segment total liabilities	**21,282,702**	**5,486,431**	**373,027**	**27,142,160**
31 December 2018				
External revenues	1,539,835	1,687,998	1,022,780	4,250,613
Inter-segment revenues	-	289,833	-	289,833
Total revenues	1,539,835	1,977,831	1,022,780	4,540,446
Segment profit / (loss) before zakat, tax and impairment loss	751,194	485,559	(1,777,460)	(540,707)
Impairment (loss)	(556,437)	-	-	(556,437)
Financial charges, net	279,573	291,082	444,305	1,014,960
Exchange loss / (gain), net	16,924	(8,348)	892,295	900,871
Depreciation	184,403	37,057	144,215	365,675
Share in net results of equity accounted investees**	907,514	35,202	(7,049)	935,667
Segment total assets	28,567,054	7,600,108	-	36,167,162
Equity accounted investees	6,460,975	55,053	-	6,516,028
Additions to property, plant and equipment	3,151,886	34,395	-	3,186,281
Segment total liabilities	18,732,559	6,360,446	-	25,093,005
31 December 2017				
External revenues	1,810,421	1,706,706	443,192	3,960,319
Inter-segment revenues		331,099	-	331,099
Total revenues	1,810,421	2,037,805	443,192	4,291,418
Segment profit before zakat, tax and impairment loss	386,597	721,255	116,993	1,224,845
Impairment (loss)	(15,055)	-	-	(15,055)
Financial charges, net	134,252	183,698	223,891	541,841
Exchange loss / (gain), net	7,075	(17,199)	581	(9,543)
Depreciation	181,099	22,279	71,067	274,445
Share in net results of equity accounted investees	407,052	45,155	4,817	457,024
Segment total assets	21,360,617	7,606,544	3,694,024	32,661,185
Equity accounted investees	4,286,266	54,274	-	4,340,540
Additions to property, plant and equipment	4,523,643	18,761	713,683	5,256,087
Segment total liabilities	13,712,621	5,492,237	3,568,199	22,773,057

**This relates to generation (power and water) segment.*
*** This includes one-off gain of SR 386.95 million (refer note 31).*

All amounts in Saudi Riyals thousands

34 OPERATING SEGMENTS (CONTINUED)

Inter-segment revenues mainly includes revenue on account of operation, maintenance and other technical services. Inter-segment transaction pricing is determined by third party partners on the projects.

The Company is headquartered in the Kingdom of Saudi Arabia. Group's revenue, profit after tax, assets and liabilities contributed by Kingdom of Saudi Arabia and overseas subsidiaries and equity accounted investees including discontinued operation are as follows:

	Revenue	Profit/ (loss) after tax
For the year ended 31 December 2019		
Kingdom of Saudi Arabia	**1,506,150**	**771,635**
Overseas	**3,047,309**	**108,448**
	4,553,459	**880,083**
For the year ended 31 December 2018		
Kingdom of Saudi Arabia	1,297,630	1,389,157
Overseas	2,952,983	(2,288,071)
	4,250,613	(898,914)
For the year ended 31 December 2017		
Kingdom of Saudi Arabia	1,173,220	708,442
Overseas	2,787,099	318,900
	3,960,319	1,027,342

	Total assets	Total liabilities
As at 31 December 2019		
Kingdom of Saudi Arabia	**19,572,224**	**7,750,195**
Overseas	**18,175,313**	**19,391,965**
	37,747,537	**27,142,160**
As at 31 December 2018		
Kingdom of Saudi Arabia	14,477,098	3,142,846
Overseas	21,690,064	21,950,159
	36,167,162	25,093,005
As at 31 December 2017		
Kingdom of Saudi Arabia	10,253,355	1,864,605
Overseas	22,407,830	20,908,452
	32,661,185	22,773,057

35 RISK MANAGEMENT

The Group's activities expose it to a variety of financial risks: market risk (including currency risk, fair value and cash flow interest rate risks and other price risk), credit risk and liquidity risk. The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance. Risk management is carried out by senior management. The most important types of risk are summarised below.

35.1 Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and will cause the other party to incur a financial loss. The Group seeks to manage its credit risk with respect to customers by setting credit limits for individual customers and by monitoring outstanding receivables.

The table below shows the Group's maximum exposure to credit risk for components of the consolidated statement of financial position.

All amounts in Saudi Riyals thousands

35 RISK MANAGEMENT (CONTINUED)

35.1 Credit risk (continued)

	Notes	**As at 31 Dec 2019**	As at 31 Dec 2018	As at 31 Dec 2017
Bank balances including restricted cash		**2,797,648**	5,497,422	3,238,833
Finance lease receivable	8	**10,574,236**	9,331,619	2,786,271
Trade receivables	11	**1,210,835**	1,201,629	712,137
Fair value of derivatives	21	**-**	13,273	64,047
Due from related parties	22	**825,450**	828,500	926,883
Insurance receivables	11.3	**886,497**	328,514	334,940
Other financial assets		**41,508**	41,748	35,566
		16,336,174	17,242,705	8,098,677

Bank balances including restricted cash
Credit risk on bank balances including restricted cash is considered to be limited as these are held with banks with sound credit ratings.

Finance lease receivable
Finance lease receivable represent receivable of Group's subsidiaries in Morocco and Kingdom of Saudi Arabia from the off-taker in accordance with the Power Purchase Agreements ("PPA"). Credit risk attached to the finance lease receivable is limited on strength of government letter of support or sound credit rating of off-taker.

Trade receivables

a. The Group's exposure to credit risk on trade receivables is influenced mainly by the individual characteristics of each customer. Below is the concentration of credit risk by different geographies.

	As at 31 Dec 2019	As at 31 Dec 2018	As at 31 Dec 2017
Hashemite Kingdom of Jordan (covered by government guarantee)	**517,760**	531,430	209,975
Sultanate of Oman (covered by government guarantee)	**193,526**	56,978	51,212
Morocco (covered by government letter of support)	**173,665**	227,644	14,364
South Africa (covered by government guarantee)	**-**	54,077	49,903
Kingdom of Saudi Arabia ("KSA")	**155,028**	96,580	23,535
United Arab Emirates ("UAE")	**168,989**	229,578	270,596
Others*	**1,867**	5,342	92,552
	1,210,835	1,201,629	712,137

* *Others mainly represents balances receivables from customers in Turkey and Bulgaria.*

The customers in KSA and UAE are transacting with the Group for a few years and historically, the Group has suffered no material impairment from these customers. Accordingly, the balances due from these customers are assessed to have a strong credit quality and limited credit risk.

b. As of reporting date, the ageing of trade and other receivables that were not impaired was as follows:

	As at 31 Dec 2019	As at 31 Dec 2018	As at 31 Dec 2017
Neither past due nor impaired	**747,094**	836,752	588,156
Past due 1-90 Days	**75,154**	35,392	110,378
More than 90 Days	**388,587**	329,485	13,603
	1,210,835	1,201,629	712,137

All amounts in Saudi Riyals thousands

35 RISK MANAGEMENT (CONTINUED)

35.1 Credit risk (continued)

Management believes that the unimpaired amounts that are past due by more than 90 days are still collectible in full, based on past history and expected credit loss model which involves extensive analysis of credit risk, including customers' credit ratings if they are available.

c. The movement in allowance for impairment, in respect of trade receivables during the year was as follows:

	For the year ended 31 Dec 2019	For the year ended 31 Dec 2018	For the year ended 31 Dec 2017
Opening balance	**64,334**	71,402	119,139
Impairment loss reversal / recognised	**(15,464)**	13,656	97,074
Amount written off	**(9,248)**	(20,724)	(144,811)
Derecognised on loss of control	**(7,965)**	-	-
Closing balance	**31,657**	64,334	71,402

Allowance for impairment as of 1 Jan 2017 mainly relates to CEGCO. CEGCO entered into a Power Purchase Agreements (PPA) with National Electric Power Company (NEPCO) dated 20 September 2007. In April 2012, a dispute occurred between the Company and NEPCO regarding the interpretation of the penalties for repeated availability failures clause in the PPA. During the first half of 2017, CEGCO reached a settlement with NEPCO to settle the issue of availability failures and recorded a further impairment allowance of SR 52.5 million. Pursuant to a final settlement agreement that has been signed on 13 August 2017 an amount of SR 144.8 million was written off against the allowance during 2017.

Derivatives
The derivatives are designated as hedging instruments and reflects positive change in fair value of foreign exchange forward ('Forward') and interest rate swap (IRS) contracts. These are entered into with banks or financial institutions with sound credit ratings hence credit risk is expected to be low.

Insurance receivables
These represents amounts recoverable from reinsurance companies. Amounts recoverable from reinsurers are estimated in a manner consistent with the outstanding claims provision or settled claims associated with the reinsurer's policies and are in accordance with the related reinsurance contract.

In common with other insurance companies, in order to minimise financial exposure arising from large insurance claims, ACWA Power Reinsurance Co. Limited ("ACWA-Re", a 100% owned subsidiary of the Group) in the normal course of business, enters into arrangements with other parties for reinsurance purposes. Such reinsurance arrangements provide for greater diversification of business, allow management to control exposure to potential losses arising from large risks, and provide additional capacity for growth. The reinsurance is effected under facultative arrangements. Effective from 31 July 2019, ACWA Power is retaining an element of risk within its property reinsurance program which is 7.5% with a maximum cap of USD 1.5 million per project for each and every event and in the aggregate for the relevant policy period for certain projects.

To minimise its exposure to significant losses from reinsurer insolvencies, ACWA Re evaluates the financial condition of its reinsurers. ACWA-Re only deals with reinsurers approved by the Board of Directors.

Due from related parties and other financial assets
Other financial assets includes dividend receivable, advances for investments, advances to employees and other receivables. Credit risk attached to related party balances is limited due to sound financial position of the related parties. There is no credit risk attached to advances for investments and advances to employees. Credit risk attached to other financial instruments is not considered significant and the Group expects to recover them fully at their stated carrying amounts.

Credit Concentration
Except as disclosed, no significant concentrations of credit risk were identified by the management as at the reporting date.

All amounts in Saudi Riyals thousands

35 RISK MANAGEMENT (CONTINUED)

35.2 Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in raising funds to meet commitments associated with financial instruments. Liquidity risk may result from an inability to sell a financial asset quickly at an amount close to its fair value. The Group's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to Group's reputation. Accordingly, the Group ensures that sufficient bank facilities are always available.

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted and include contractual interest payments:

				Contractual cash flows		
As at 31 Dec 2019	**Carrying Amount**	**Total**	**No fixed maturity**	**0-12 months**	**1-5 years**	**More than 5 years**
Non-derivative financial liabilities						
Short term facilities	**444,218**	**457,545**	**-**	**457,545**	**-**	**-**
Term financing and funding facilities	**19,752,173**	**22,408,801**	**-**	**3,189,952**	**6,916,089**	**12,302,760**
Due to related parties	**860,202**	**887,514**	**781,035**	**4,552**	**18,208**	**83,719.00**
Other financial liabilities	**4,037,919**	**4,037,919**	**4,037,919**	**-**	**-**	**-**
	25,094,512	**27,791,779**	**4,818,954**	**3,652,049**	**6,934,297**	**12,386,479**
Derivative financial liabilities						
Interest rate swaps and currency forwards used for hedging	**338,325**	**446,207**	**-**	**52,720**	**245,663**	**147,824**
As at 31 Dec 2018						
Non-derivative financial liabilities						
Short term facilities	618,942	637,510	-	637,510	-	-
Term financing and funding facilities	18,753,319	22,979,627	-	1,724,371	7,848,458	13,406,798
Due to related parties	81,176	109,182	-	4,668	18,670	85,844
Other financial liabilities	4,843,857	4,843,857	4,843,857	-	-	-
	24,297,294	28,570,176	4,843,857	2,366,549	7,867,128	13,492,642
Derivative financial liabilities						
Interest rate swaps and currency forwards used for hedging	143,211	272,591	-	4,058	148,375	120,158
As at 31 Dec 2017						
Non-derivative financial liabilities						
Short term facilities	259,488	263,640	-	263,640	-	-
Term financing and funding facilities	18,702,818	26,479,663	-	1,656,795	7,650,218	17,172,650
Due to related parties	142,378	176,508	57,583	4,876	19,503	94,546
Other financial liabilities	2,777,618	2,777,618	2,777,618	-	-	-
	21,882,302	29,697,429	2,835,201	1,925,311	7,669,721	17,267,196
Derivative financial liabilities						
Interest rate swaps and currency forwards used for hedging	212,682	274,515	-	90,341	152,527	31,647

The cash flows relating to derivatives disclosed in the above table represent contractual undiscounted cash flows relating to derivative financial liabilities held for risk management purposes and which are not usually closed out before contractual maturity. The interest payments on variable interest rate loans in the table above reflect market forward interest rates at the reporting date and these amounts may change as market interest rate changes.

35 RISK MANAGEMENT (CONTINUED)

35.3 Market risk

Market risk is the risk that changes in the market prices, such as foreign exchange rates and interest rates, will affect the Group's income or cash flows. To some extent the project companies consolidated in the Group gets protection in relation to variability in exchange and interest rates within power and water purchase agreements (PWPAs) as the tariffs are usually denominated in functional currencies. The objective of market risk management is to manage and control market risk exposures within acceptable parameters while optimizing the return.

The Group uses derivatives to manage market risks. All such transactions are carried out in accordance with Group's policies and practices. Generally, the Group seeks to apply hedge accounting to manage volatility in profit or loss.

Foreign currency risk

The Group is exposed to currency risk to the extent that there is a mismatch between the currencies in which sales, purchases and borrowings are denominated and the respective functional currencies of companies with in the Group. For most of the transactions denominated in US Dollars (USD), the currency risk is limited as exchange rate of USD and respective functional currency is usually pegged. Currency risk arises primarily on certain revenues and borrowings in Euro (EUR), Moroccan Dirhams (MAD), US Dollars (USD) and Japanese Yen (JPY) where the functional currency is different to the currency of financial instrument and is also not pegged. The Group hedges certain foreign currency exposures through hedge strategies, including use of derivative financial instruments. Quantitative data regarding the Group's exposure to significant currency risk are as follows:

Equivalent to thousands of Saudi Riyals	**EUR**	**MAD**	**USD**	**JPY**
As at 31 Dec 2019				
Borrowings and other financial liabilities	**3,619,095**	**2,419,965**	**-**	**157,698**
Finance lease receivables	**(3,643,128)**	**(2,944,294)**	**-**	**-**
Net position	**(24,033)**	**(524,329)**	**-**	**157,698**
Impact of currency forwards	**-**	**-**	**-**	**(87,610)**
Net exposure	**(24,033)**	**(524,329)**	**-**	**70,088**
As at 31 Dec 2018				
Borrowings and other financial liabilities	3,759,543	1,962,260	118,430	181,531
Finance lease receivables	(3,795,309)	(2,537,564)	-	-
Net position	(35,766)	(575,304)	118,430	181,531
Impact of currency forwards	-	-	-	(29,776)
Net exposure	(35,766)	(575,304)	118,430	151,755
As at 31 Dec 2017				
Borrowings and other financial liabilities	1,600,692	91,492	2,724,084	202,397
Finance lease receivables	(1,448,925)	(264,322)	-	-
Net position	151,767	(172,830)	2,724,084	202,397
Impact of currency forwards	-	-	-	(145,864)
Net exposure	151,767	(172,830)	2,724,084	56,533

All amounts in Saudi Riyals thousands

35 RISK MANAGEMENT (CONTINUED)

35.3 Market risk (continued)

Foreign currency risk (continued)

Sensitivity analysis

A reasonably possible strengthening (weakening) of respective currencies against Saudi Riyal unless otherwise specified at 31 December would have affected the measurement of financial instruments denominated in a foreign currency and affected profit or loss as shown below. The analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecast sales and purchases.

	Impact - (Profit) or loss	
	Strengthening	Weakening
For the year ended 31 Dec 2019		
EUR (5% movement)	**(1,202)**	**1,202**
MAD (5% movement)	**(26,216)**	**26,216**
JPY (5% movement)	**3,504**	**(3,504)**
For the year ended 31 Dec 2018		
EUR (5% movement)	(1,788)	1,788
MAD (5% movement)	(28,765)	28,765
USD (5% movement against EUR)	5,922	(5,922)
JPY (5% movement)	7,588	(7,588)
For the year ended 31 Dec 2017		
EUR (5% movement)	7,588	(7,588)
MAD (5% movement)	(8,642)	8,642
USD (5% movement against TRY/EUR)	136,204	(136,204)
JPY (5% movement)	2,827	(2,827)

Interest rate risk:

Interest rate risk is the risk that the fair value of financial instruments will fluctuate due to changes in the market interest rates. The Group is subject to interest rate risk on future cash flow of its interest bearing assets and liabilities, including bank deposits, finance lease receivables, bank overdrafts, term loans and amounts due from / to related parties. The Group hedges long term interest rate sensitivities through hedge strategies, including use of derivative financial instruments and regularly monitors market interest rates.

The interest rate profile of the Group's interest bearing long term financing and funding facilities as reported to the management of the Group is as follows:

	As at 31 Dec 2019	As at 31 Dec 2018	As at 31 Dec 2017
Financial liabilities			
Fixed rate including interest free	**16,098,134**	14,639,088	12,791,505
Floating rate	**3,654,039**	4,114,231	5,911,313

The Group does not account for any fixed rate financial assets or financial liabilities at fair value through profit or loss. Therefore, in case of fixed interest rate financial instruments, change in interest rates at the reporting date would not affect profit or loss.

In case of variable interest rate financial instruments, a reasonably possible change of 100 basis points in interest rates at the reporting date would have increased (decreased) equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency exchange rates, remain constant.

All amounts in Saudi Riyals thousands

35 RISK MANAGEMENT (CONTINUED)

35.3 Market risk (continued)

Interest rate risk (continued)

	Profit or loss		Equity	
	100 bps increase	100 bps decrease	100 bps increase	100 bps decrease
For the year ended 31 Dec 2019				
Variable rate financial liabilities	**(36,540)**	**36,540**	**(36,540)**	**36,540**
Interest rate swaps	**35,567**	**(35,567)**	**35,567**	**(35,567)**
Net sensitivity	**(973)**	**973**	**(973)**	**973**
For the year ended 31 Dec 2018				
Variable rate financial liabilities	(41,142)	41,142	(41,142)	41,142
Interest rate swaps	29,517	(29,517)	29,517	(29,517)
Net sensitivity	(11,625)	11,625	(11,625)	11,625
For the year ended 31 Dec 2017				
Variable rate financial liabilities	(59,113)	59,113	(59,113)	59,113
Interest rate swaps	46,940	(46,940)	46,940	(46,940)
Net sensitivity	(12,173)	12,173	(12,173)	12,173

36 FAIR VALUES OF FINANCIAL INSTRUMENTS

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

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

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

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

When measuring the fair value of an asset or a liability, the Group uses observable market data as far as possible. Fair values are categorised in to different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows.

- Level 1 – quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 – inputs other than quoted prices included in Level 1 that are observable for the assets or liabilities either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3 – inputs for the asset or liability that are not based on observable market data (unobservable input).

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their level in the fair value hierarchy. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

All amounts in Saudi Riyals thousands

36 FAIR VALUES OF FINANCIAL INSTRUMENTS (CONTINUED)

		Fair value			
As at 31 Dec 2019	**Carrying amount**	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial liabilities					
Fair value of derivatives used for hedging	**338,325**	**-**	**338,325**	**-**	**338,325**
Long-term financing and funding facilities	**19,752,173**	**3,327,225**	**16,749,556**	**-**	**20,076,781**
As at 31 Dec 2018					
Financial assets					
Fair value of derivatives used for hedging	13,273	-	13,273	-	13,273
Financial liabilities					
Fair value of derivatives used for hedging	143,211	-	143,211	-	143,211
Long-term financing and funding facilities	18,753,319	2,883,880	15,754,190	-	18,638,070
As at 31 Dec 2017					
Financial assets					
Fair value of derivatives	64,047	-	-	64,047	64,047
Financial liabilities					
Fair value of derivatives used for hedging	212,682	-	212,682	-	212,682
Long-term financing and funding facilities	18,702,818	3,128,049	16,033,348	-	19,161,397

Fair value of other financial instruments has been assessed as approximate to the carrying amounts due to frequent re-pricing or their short term nature.

Management believes that the fair value of net investment in finance lease is approximately equal to its carrying value because the lease relates to a specialised nature of asset whereby the carrying value of net investment in finance lease is the best proxy of its fair value.

Valuation technique and significant unobservable inputs

Type	**Valuation technique**	**Significant unobservable input**	**Inter-relationship between significant unobservable inputs and fair value measurement**
Derivatives used for hedging* Bank borrowings **	Discounted cash flows: the valuation model considers the present value of expected payments or receipts discounted using the risk adjusted discount rate or the market discount rate applicable for a recent comparable transaction.	Not applicable	Not applicable
Trading derivatives*	Trading derivatives represent options that are valued using the valuation models wherein fair values are determined through valuation techniques based on discounted cash flows and include a discount for lack of marketability and project specific factors representing the amounts that the Group has determined that market participants would take into account when pricing these instruments.	Contracted capacities and risk adjusted discount rate	The estimated fair value would increase or decrease if: • the actual availabilities are different to contracted capacities; or • the risk adjusted discount rate were higher or lower.

* The instruments were measured at fair value in consolidated statement of financial position.
** The fair value of these instruments were measured for disclosure purpose only.

All amounts in Saudi Riyals thousands

37 FINANCIAL INDICATORS USED IN FINANCIAL COMMUNICATION

The purpose of this note is to present the main financial indicators, if not disclosed already, used by the Group as well as their reconciliation with the aggregates of the consolidated financial statements.

37.1 Net debt analysis

	Corporate	Bonds	Projects	Consolidated	Equity accounted investees
As at 31 Dec 2019					
Recourse debt:					
Long-term financing and funding facilities	**1,125**	**-**	**1,825,887**	**1,827,012**	
Other liabilities (note 22.1(b))				**781,035**	
Less: Cash and cash equivalents				**(1,829,206)**	
Cash balance net of recourse debt				**778,841**	
Non-recourse debt:					
Long-term financing and funding facilities	**-**	**3,002,617**	**14,922,544**	**17,925,161**	**33,557,759**
Add: Short-term facilities				**444,218**	**810,656**
Less: Cash and cash equivalents				**(969,109)**	**(1,550,244)**
Net debt without recourse				**17,400,270**	**32,818,171**
As at 31 Dec 2018					
Recourse debt:					
Long-term financing and funding facilities	12,237	-	3,185,113	3,197,350	-
Less: Cash and cash equivalents				(4,469,875)	-
Cash balance net of recourse debt				(1,272,525)	-
Non-recourse debt:					
Long-term financing and funding facilities	187,500	2,999,129	12,369,340	15,555,969	23,851,250
Add: Short-term facilities	-	-	618,942	618,942	2,102,658
Less: Cash and cash equivalents				(1,028,390)	(534,132)
Net debt without recourse				15,146,521	25,419,776
As at 31 Dec 2017					
Recourse debt:					
Long-term financing and funding facilities	465,138	-	1,546,653	2,011,791	-
Less: Cash and cash equivalents				(1,995,164)	-
Net debt with recourse				16,627	-
Non-recourse debt:					
Long-term financing and funding facilities	187,500	2,995,980	13,507,547	16,691,027	23,044,976
Add: Short-term facilities	-	-	259,488	259,488	1,172,639
Less: Cash and cash equivalents				(1,244,065)	(689,231)
Net debt without recourse				15,706,450	23,528,384

All amounts in Saudi Riyals thousands

37 FINANCIAL INDICATORS USED IN FINANCIAL COMMUNICATION (CONTINUED)

37.2 Tangible net worth

Tangible net worth, as defined by management of the Group, is total equity of the Group excluding other reserves (comprising of cash flow hedge reserve, currency translation reserve, share in OCI of equity accounted investees, actuarial losses and others - refer note 13.2 less the carrying value of goodwill in the consolidated statement of financial position as of the reporting date. The following table sets out the tangible net worth of the Group (as defined by management):

	As at 31 Dec 2019	As at 31 Dec 2018	As at 31 Dec 2017
Total equity	**10,605,377**	11,074,157	9,888,128
Other reserves	**1,361,236**	717,900	934,092
Total equity excluding other reserves	**11,966,613**	11,792,057	10,822,220
Less: Goodwill	**(2,004,811)**	(2,014,320)	(2,126,820)
Tangible net worth	**9,961,802**	9,777,737	8,695,400

37.3 Earnings per share on profit from continuing operations before impairments charge / (reversal) and other expenses

	31 Dec 2019	31 Dec 2018	31 Dec 2017
Profit / (loss) attributable to equity holders of parent	**1,173,865**	(773,842)	920,240
Less: (Profit) / loss from discontinued operations	**(554,345)**	1,539,287	(128,570)
Add: Profit / (loss) from discontinued operations attributable to non-controlling interest	**14,439**	(9,500)	(2,151)
Profit for the year from continuing operations attributable to equity holders of the Parent (note 32)	**633,959**	755,945	789,519
Add: Impairments charge / (reversal) and other expenses	**919,471**	623,748	15,055
Less: Impairments charge / (reversal) and other expenses attributable to non-controlling interest	**(429,143)**	(234,472)	-
Profit for the year from continuing operations attributable to equity holders of the Parent before impairments and other expenses	**1,124,287**	1,145,221	804,574
Weighted average number of ordinary shares outstanding during the year ended	**645,763**	596,280	547,604
Earnings per share on profit from continuing operations before impairments and other expenses	**1.74**	1.92	1.47

38 SUBSEQUENT EVENTS

Subsequent to the year-end, the Group in accordance with the nature of its business, has entered into or is negotiating various agreements. Management does not expect these to have any material impact on the consolidated financial position and results as of the reporting date.

Further, the outbreak of Novel Coronavirus ("COVID 19") continues to progress and evolve. The extent and duration of business and economic impact remains uncertain and dependent on future developments that cannot be accurately predicted at this time, such as the transmission rate of the coronavirus and the extent and effectiveness of containment actions taken. Given the ongoing economic uncertainty, a reliable estimate of the impact cannot be made at the date of authorisation of these financial statements. These developments could impact our future financial results, cash flows and financial condition.

All amounts in Saudi Riyals thousands

39 COMPARATIVE FIGURES

Certain figures for the prior period have been reclassified to conform to the presentation in the current year. Summary of reclassifications within income statement is as follows:

Particulars	As reported in prior year	Reclassified to discontinued operation (note 32.4)	Other classification adjustments	As reported in this financial statements
31 December 2018				
Revenue	3,554,202	(336,288)	9,919	3,227,833
Operating costs	(2,002,651)	84,364	-	(1,918,287)
Development cost and other write offs	4,415	11,953	-	16,368
General and administration expenses	(690,859)	80,251	-	(610,608)
Share in net results of equity accounted investees, net of tax	935,667	7,049	-	942,716
Other operating income	179,611	(9,367)	(9,919)	160,325
Other income	77,873	(12,925)	-	64,948
Foreign exchange (loss) / gain	(13,816)	5,240	-	(8,576)
Financial charges	(771,695)	201,040	-	(570,655)
Zakat and tax	(37,474)	(2,468)	-	(39,942)
Loss from discontinued operation including loss recognised on loss of control in a subsidiary	(1,510,439)	(28,849)	-	(1,539,288)
31 December 2017				
Revenue	3,782,899	(245,387)	(20,385)	3,517,127
Operating costs	(2,172,551)	95,139	-	(2,077,412)
General and administration expenses	(730,605)	43,404	-	(687,201)
Share in net results of equity accounted investees, net of tax	457,024	(4,817)	-	452,207
Other operating income	190,256	-	20,385	210,641
Impairments and other expenses	48,458	(63,513)	-	(15,055)
Other income	104,979	(10,260)	-	94,719
Foreign exchange (loss) / gain	38,331	(28,207)	-	10,124
Financial charges	(499,555)	181,605	-	(317,950)
Zakat and tax	(182,498)	(11,527)	-	(194,025)
Profit from discontinued operation including loss recognised on loss of control in a subsidiary	85,007	43,563	-	128,570

39.1 In addition to above certain balances in statement of financial position were reclassified primarily within current assets to conform the current year presentation.

All amounts in Saudi Riyals thousands

40 FINANCIAL AND OTHER INFORMATION OF PROJECT COMPANIES

Financial and other information, by geography, of major project companies of ACWA Power, is disclosed in below table. The information disclosed is based on the information used in group consolidation (audited financial statements of projects under below geographies might have certain adjustments) and is before any elimination or group level adjustment.

			Financial Position					Financial Performance			Cash position
Jurisdiction	**Tech.**	**# of projects**	**Current assets**	**Non-current assets**	**Current liabilities**	**Non-current liabilities**	**Equity**	**Revenues**	**Operating income**	**Net income**	**Cash and cash equivalent**
31 December 2019											
Kingdom of Saudi Arabia	CPW, RP, RO	**13**	**2,715,486**	**51,960,743**	**(4,806,336)**	**(37,181,375)**	**12,688,518**	**6,398,303**	**3,396,089**	**833,666**	**606,996**
Sultanate of Oman	CPW, RO	**7**	**2,110,768**	**10,860,170**	**(2,339,772)**	**(9,953,888)**	**677,278**	**2,190,064**	**572,121**	**28,551**	**371,888**
United Arab Emirates	CP, RP	**4**	**991,190**	**9,946,710**	**(588,408)**	**(11,883,842)**	**(1,534,350)**	**73,375**	**62,331**	**11,787**	**742,898**
Hashemite Kingdom of Jordan	CP, RP	**8**	**919,683**	**2,963,039**	**(988,099)**	**(2,502,328)**	**392,295**	**704,243**	**411,834**	**151,302**	**203,761**
Morocco	RP	**7**	**782,275**	**10,067,811**	**(2,682,405)**	**(8,326,390)**	**(158,709)**	**586,544**	**321,100**	**(142,595)**	**325,662**
Egypt	RP	**3**	**45,430**	**702,107**	**(221,008)**	**(536,241)**	**(9,712)**	**26,597**	**14,550**	**372**	**29,846**
Bahrain	CPW	**1**	**57,418**	**1,596,127**	**(323,943)**	**(1,377,354)**	**(47,752)**	**-**	**-**	**-**	**37,502**
Turkey	CP	**1**	**409,580**	**1,998,175**	**(169,381)**	**(3,076,486)**	**(838,112)**	**687,171**	**(72,645)**	**(648,220)**	**115,005**
South Africa	RP	**1**	**68,057**	**1,254,534**	**(123,614)**	**(929,647)**	**269,330**	**234,473**	**151,300**	**18,351**	**12,396**
Others	RP	**1**	**53,040**	**465,767**	**(42,381)**	**(394,638)**	**81,788**	**65,992**	**38,814**	**4,280**	**50,624**
		46	**8,152,927**	**91,815,183**	**(12,285,347)**	**(76,162,189)**	**11,520,574**	**10,966,762**	**4,895,494**	**257,494**	**2,496,578**
31 December 2018											
Kingdom of Saudi Arabia	CPW, RP	12	3,197,383	51,898,358	(4,413,660)	(37,288,114)	13,393,967	6,613,442	3,520,607	1,272,365	1,057,170
Sultanate of Oman	CPW, RO	7	696,767	10,105,904	(3,004,001)	(6,780,636)	1,018,034	989,270	285,029	(162,754)	202,245
United Arab Emirates	CP, RP	2	104,850	4,840,509	(170,181)	(4,603,431)	171,747	76,436	61,941	13,490	31,225
Hashemite Kingdom of Jordan	CP, RP	8	793,630	2,793,378	(1,202,202)	(1,592,275)	792,531	683,162	175,884	29,758	(220,237)
Morocco	RP	7	1,018,393	10,229,213	(2,013,436)	(9,407,192)	(173,022)	287,998	134,364	(220,429)	316,808
Egypt	RP	3	63,931	190,735	(81,878)	(176,819)	(4,031)	-	(208)	(699)	62,338
Turkey	CP	1	133,277	2,526,947	(743,772)	(2,213,400)	(296,948)	686,492	(23,221)	(1,232,856)	16,687
South Africa	RP	1	59,033	1,255,764	(109,417)	(919,036)	286,344	228,370	116,688	1,030	7,965
Others	RP	1	30,519	484,495	(28,880)	(414,464)	71,670	69,458	33,472	1,060	28,292
		42	6,097,783	84,325,303	(11,767,427)	(63,395,367)	15,260,292	9,634,628	4,304,556	(299,035)	1,502,493

Tech. = Technology, CP = Conventional Power, CW = Conventional Water, CPW = Conventional Power and Water, RP = Renewable, RO = Reverse Osmosis

All amounts in Saudi Riyals thousands

40 FINANCIAL AND OTHER INFORMATION OF PROJECT COMPANIES (CONTINUED)

			Financial Position					Financial Performance			Cash position
Jurisdiction	Tech.	# of projects	Current assets	Non-current assets	Current liabilities	Non-current liabilities	Equity	Revenues	Operating income	Net income	Cash and cash equivalent
31 December 2017											
Kingdom of Saudi Arabia	CPW	11	3,309,512	52,131,260	(5,369,723)	(38,939,464)	11,131,585	6,596,943	3,762,778	1,486,059	1,158,308
Sultanate of Oman	CPW, RO	6	308,124	7,811,712	(524,091)	(6,495,933)	1,099,812	853,922	223,660	36,872	60,205
United Arab Emirates	CP, RP	2	93,083	3,186,047	(196,725)	(3,148,080)	(65,675)	61,274	51,330	9,689	41,919
Hashemite Kingdom of Jordan	CP, RP	8	448,209	2,533,855	(786,683)	(1,384,734)	810,647	802,725	131,692	32,340	(67,100)
Morocco	RP	7	601,744	9,177,400	(1,105,486)	(8,626,210)	47,448	207,501	169,917	(46,559)	298,872
Egypt	RP	3	8,276	20,536	(22,344)	-	6,468	-	(455)	(834)	3,244
Turkey	CP	1	293,366	3,324,954	(1,182,101)	(2,312,973)	123,246	197,805	8,276	(28,213)	168,887
South Africa	RP	1	65,818	1,512,426	(107,957)	(1,103,386)	366,901	176,147	92,263	(13,939)	6,375
Others	RP	1	52,344	502,448	(60,621)	(473,385)	20,786	70,053	46,704	10,625	49,136
		40	5,180,476	80,200,638	(9,355,731)	(62,484,165)	13,541,218	8,966,370	4,486,165	1,486,040	1,719,846

41 APPROVAL OF THE CONSOLIDATED FINANCIAL STATEMENTS

These consolidated financial statements have been approved by the Board of Directors on 30 March 2020, corresponding to 6 Sha'ban 1441H.