QATAR ELECTRICITY & WATER COMPANY Q.P.S.C.

CONSOLIDATED FINANCIAL STATEMENTS 31 DECEMBER 2019

Invitation to attend the Ordinary General Assembly

The Board of Directors of Qatar Electricity & Water Company is pleased to invite its shareholders to attend the Ordinary General Assembly Meeting, to be held on Sunday, 15th March 2020 at 6.30 PM, at Al Majlis Hall, Doha Sheraton Hotel, Doha, Qatar. .

Agenda of the Ordinary General Assembly Meeting:

1. Presentation and approval of the report of the Board of Directors on the Company's activities and its financial position for the year ended 31st December, 2019..
2. Approving the report of the External Auditors on the Company's financial position for the year ended 31st December 2019.
3. Discussing and approving the balance sheet and profit and loss account for the year ended 31st December 2019 and approving the proposal of the Board of Directors to distribute cash dividends to the shareholders.
4. Approving Governance report for the year 2019
5. Resolution on the discharge from responsibility of the Board members for the financial year 2019 and approve their remuneration.
6. Appointing an External Auditor for the year 2020 and fixing their fees
7. Voting on the election of members of the Board of Directors for the next three years.

Note:

1. In order to complete registration, please attend one hour before the start time.
2. If it is not possible for you to attend, another shareholder can be authorized to represent you in the meeting.
3. In case a quorum is not met, a second meeting will be held on March 22nd 2020 at the same time, at Salwa Hall, Doha Sheraton Hotel.
4. No children will be allowed into the Ordinary General Assembly.

SAAD BIN SHERIDA AL-KAABI
Chairman

REPORT OF THE BOARD OF DIRECTORS
For the fiscal year ended on 31st December 2019

The Board of Directors of Qatar Electricity and Water Company (QEWC) is pleased to submit to our esteemed shareholders the annual report on company's financial results and activities for the year ended December 31, 2019, accompanied by the audited financial statements, notes and corporate governance report for the same year, prepared in accordance with the requirements of corporate governance code, the Listing Rules and the provisions of the commercial company's law . This report documents the activities and accomplishments of QEWC, its subsidiaries and associate companies and shows its future vision for securing the sustainable supply of electricity and water to the country.

First
Financial Results
Operating income for the year 2019 amounted to QR 2,389 million compared to QR 2,601 million for the year 2018, with a decrease of 8%. Share of profit from joint venture companies amounted to QR 806 million compared to QR 542 million in 2018, with an increase of 49%. On the other hand Investment and other income amounted to QR 198 million compared to QR 232 million for the year 2018 , and thus the total revenue for 2019 amounted to QR 3,393 million compared to QR 3,376 million in 2018.
Operating expenses for the year 2019 amounted to QR 1,533 million compared to QR 1,397 million for 2018, with an increase of 10%. General and administrative expenses amounted to QR 175 million compared to QR 186 million in 2018 resulting in a decrease of 6%.Financing expenses amounted to QR 244 million , compared to QR 227 million for the year 2018, with an increase of 7%.
The net profit attributable to minority shareholders was QR 27 million, compared to QR 28 million for the year 2018.
Based on the foregoing, the net profit of Qatar Electricity and Water Company for the year 2019 amounted to QR 1,414 million , compared to QR 1,537 million for the year 2018, with a decrease of 8%.
(Esteemed shareholders are requested to review the detailed information as presented in the financial statements approved by the Board of Directors and the company's external auditors.)
Based on the financial results for the year 2019, the Board of Directors recommends to the company's general assembly to approve distribution of cash dividends to shareholders for the fiscal year 2019 at 77.5% of the nominal value of each share.

Second
The company's projects and future plans
Qatar Electricity and Water Company gives utmost importance in meeting the electricity and water needs of the State of Qatar and works to implement the projects necessary to achieve this purpose. QEWC mainly concentrates on the implementation of projects to meet the electricity and water requirements of the state of Qatar and focuses on international projects, that suit company's investment plan, through Nebras Power.
The company has achieved many milestones in this framework and aims to achieve more accomplishments internally and externally by increasing expansion and by diversification of energy production sources in Qatar and increasing its participation in international energy projects.
The following statement shows the company's projects and future plans at the local and global levels:
Locally
- Current projects
- Expansion of Umm Al Houl Power Station

The Umm Al Houl power project, in which QEWC owns 60%, was commissioned and fully operational from the second quarter of 2018, with a production capacity of 2520 MW of electricity and 136.5 MIGD water.
The company has already begun the execution of works for the implementation of Umm Al Houl plant expansion project in second half of 2019 to increase its water desalination capacity by an additional 61.5 MIGD. The expansion project has reached 20% completion and its first phase is expected to be completed in February 2021 with a production capacity of 30 MIGD. Full completion of the expansion project, with a capacity of 61.5 MIGD, is expected to be completed by April 2021.
Umm Al Houl Power Station is considered as one of the most vital energy projects in the country, and its importance derives from the great value it gives to the economy of Qatar. Important factor in the success of operations of any electricity and water plants depends on the use of advanced technology and the selection of the best environment friendly technology and Umm Al Houl power achieved this through the reverse osmosis technology, which supports the efforts to reduce gas emissions as much as possible and raise the level of performance. The project, after its expansion, will fulfill 30% of the country's electricity needs and 58% of its water needs.

- **Lusail Tower:**

This project consists of the construction of two towers on the plot of land owned by the company in Lusail. The intention was to construct one tower as a commercial complex to be used as the headquarters of the company and its subsidiaries and the other tower to be used as an investment in hotels field. Based on the study carried out by the committee formed to follow up on the project and after several discussions, the Board decided that the project lacks commercial viability from the investment point of view. According to real estate market studies, it was confirmed that the supply of real estate properties in Qatar greatly exceeded the expected need in the near future and hence it was decided to stop all construction works for a period of three years, with the intention of re-considering such decision later on. A special committee of Board members was formed to follow up on the project to settle accounts with the relevant contractors and consultants .

- **Future plans**

Adoption of future plans for the company's investments in Qatar largely revolves around meeting the growing demand for electricity and water in Qatar by establishing stations with high production capacity and replacing old inefficient stations with new and more efficient ones. The company is also working in accordance with the instructions of the state and the 2030 National Vision of Qatar to take advantage of renewable energy generated from solar and energy from waste, which will diversify the energy sources .The company also seeks to rebuild and upgrade Ras Abu fontas A Station to keep it in line with the international requirements on environmental and health standards and to increase its thermal efficiency to exploit natural gas in the best possible manner.

- **Solar Power Project:**

A Joint Venture agreement was signed with Qatar Petroleum on 29th November 2016 to establish Siraj Energy Company, with 60% share by QEWC, with the aim of creating an 800 MW Siraj 1 project and the company establishment procedures were completed on 25th April 2017.
The qualified developers list was announced and financial bids were opened for developers on September 26, 2019. The developer was selected on December 9, 2019. The Power Purchase Agreement (PPA) was signed on January 15, 2020 and the Construction contract (EPC contract) that was signed on February 6, 2020
The project company (Siraj 1 and the foreign partner) will be responsible for the operation and maintenance of the plant, which will result in the company acquiring the required knowledge and experience in the field. The first phase is expected to be completed, with a capacity of 350MW by April 1, 2021, and the full completion of the project with a total capacity of 800 MW expected by April 1, 2022.
The solar energy project coincides with the company's plans to diversify energy sources, use environmentally friendly technologies and increase dependence on renewable energy sources.

- **Re-development of Ras Abu Fontas Station A:**

Based on the request of the Qatar General Electricity and Water Corporation (Kahramaa), Ras Abu Fontas A facilities, which had a low performance, was demolished in order to build a new plant in its place .The tender for developer has been issued on September 10, 2019 and the Power and Water Purchase Agreement (PWPA) is planned to be signed in September 2020.
The first phase (electricity) is expected to be completed by May 2022, and full completion of the project is expected by July 2023. The production capacity of the new project is 2,300 MW of electricity and 100 MIGD of water.

International Projects
The company is also seeking, through its foreign investment arm Nebras Energy, to expand abroad in global markets. The year 2019 was a good year for Nebras and it managed to expand its portfolio in existing countries and expand its presence in new regions. Nebras has expanded its presence in the Sultanate of Oman by acquiring a stake in the Amin Solar Energy Project and increasing its participation in three projects in Jordan. Nebras also managed to enter many new markets such as North Africa, Latin America and Australia. These new investment additions provide Nebras with access to developing markets and the improvement of the energy / technology mix in its portfolio in relation to renewable energy resources as well as natural gas.

- **Nebras Energy Projects:**
  - **Carthage Power project, Tunisia**

Nebras, through its subsidiary Nebras Energy for Investment Management BV, acquired 60% share of Carthage Energy, Tunisia. Carthage Energy owns the Rades 2 power plant, which has a total capacity of 470 MW.
The acquisition provided Nebras with access to the energy market in North Africa, where Nebras is seeking to expand its presence and grow further.

- **Amin Renewable Energy Company project in Oman:**

Nebras has acquired a 9.9% stake in Amin Renewable Energy Company in Oman, which owns the Amin power plant with a total production capacity of 125 MW. The financial closure has been achieved and the construction of the project has begun. This transaction is a continuation of Nebras strategy to improve its asset base by adding attractive projects with long-term purchase agreements and expanding its presence in the Oman energy market, which is one of the favorite markets for Nebras.

- **Canadian Solar project in Brazil:**

Nebras, through its subsidiary Nebras Energy Investment Management BV, acquired an 80% stake in four solar projects with a total production capacity of 482 MW in Brazil. Financing have been arranged for the four projects, and the commercial operation of the four projects are expected to begin in 2020 and 2021. These projects provide Nebras with access to the renewable energy market in Brazil, which is characterized by rapid growth and in line with Nebras' established objectives of consolidating its position as a leading international energy developer. The portfolio is the largest two-sided solar photovoltaic portfolio created in Latin America

- **Stockyard Hill Project in Australia:**

Nebras, through its subsidiary Nebras Energy Investment Management BV, acquired a 49% stake in Gold Wind Power Generation, which has a production capacity of 527 MW in Australia. Construction has begun and the commercial operation is expected to begin in June 2020. The acquisition provides Nebras with access to the growing Australian renewable energy market, which includes guaranteed purchase contracts and an attractive competitive energy return market.

- **Oryx project in Jordan**

Nebras, through its subsidiary Nebras Energy Investment Management BV, signed the acquisition contract in partnership with Metsui Corporation of Japan, to acquire AES shares in three energy projects in Jordan. All power plants are located in the Al-Manakher area, 15 km east of Amman. The acquisition is expected to be completed in the first quarter of 2020. The expansion of Nebras' investments in Jordan is the result of the confidence and the credibility enjoyed by Nebras in the Jordanian energy market and its regulations in recent years, demonstrating the importance of Jordanian energy market for Nebras.

Third
Commitment to Corporate Governance:
The company commits to applying corporate governance procedures provided for the governance by the Qatar Financial Markets Authority. The Board reviews governance practices and develops them to suit changing needs. The Company has taken several measures to implement the provisions of the Governance Law issued by the Authority's Board of Directors decision No. (5) of 2016 as follows:
1 .The Company's articles of association have been amended by decision of the Extraordinary General Assembly on March 6, 2019 in implementation of the decision of the Board of Directors of the Qatar Financial Markets Authority to amend the nominal value of the shares of listed companies with a value of one Qatari Riyal per share
2. The Council issued Resolution No. (9) of 2019 designating Mr. Fahd bin Hamad Al Mohannadi as official spokesperson for the Qatar Electricity and Water Company and was published on the website of the company and Qatar stock exchange.
All reports and requirements stipulated in the company's articles of association, the corporate governance system issued by the authority and the commercial company's law have been disclosed and published in accordance with the established procedures and dates.
Attached to the annual report is the corporate governance report for 2019 for approval by the company's general assembly.

Fourth
Corporate social responsibility:
The company believes in its role and responsibility in the development and advancement of society and in the preservation of the environment through its effective and serious participation in the corporate social responsibility system and constantly seeks to increase its contribution in supporting the institutions that sponsor social groups with exceptional needs. During 2019, the company adopted and contributed to a series of activities, events, social programs, conferences, scientific, cultural and economic seminars and various sports activities and its total contributions amounted to QR 2.26 million

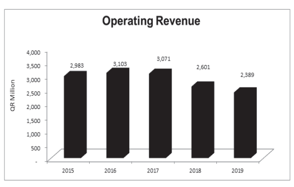
Fifth
Administrative development and Qatarization:
In accordance with the company's general policy, it seeks to embrace everything new in the world of administration and apply it in proportion to the size and activity of the company to develop its cadres and to achieve its objectives efficiently and effectively.
The company intends to raise the level of efficiency in products and services and improve customer confidence, which helps to generate higher profits .
The QEWC strategy, through the Qatarization Committee, which includes members from QEWC and the other seven affiliated companies, aims to increase the proportion of Qatari employees in the company and its subsidiaries. Qataris occupy the leadership positions of the company and its subsidiaries and also work in cooperation with universities, training institutes and centers accredited at home and abroad for the purpose of sending, developing and training Qatari employees. The company has signed memorandum of understanding with Marubeni Corporation and Chubu Energy Company of Japan to implement a technical training program to increase the efficiency of Qatari engineers in order to support the operation and management of energy services in generation and desalination plants. The company has renewed the memorandum of understanding for the sixth year with Mitsubishi Hitachi Energy Company to extend the education and development program in the field of human resources, safety management, environmental protection and the quality of maintenance.
The total number of Qatari employees reached 148 employees at the end of 2019. The number of Qatari post graduate students with the company are six, Qataris under training are two and one Qatari employee is under development. Company's Qatarization rate is 24.58% out of the total 602 employees. The company aims to increase that percentage initially in leadership positions, followed by other positions.

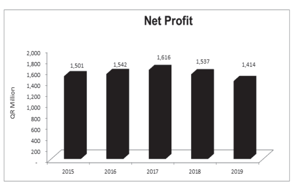
Sixth
Security and Safety:
The company considers that the application of safety and security procedures is one of its most important priorities and obligations towards its employees. The company's Safety department works to implement all occupational health and safety requirements that guarantee the provision of a safe environment that achieves risk prevention for human and material components and applies international standards and norms. The company has achieved with its subsidiaries a high rate of work hours without death or serious injury during the year 2019 and has won many international awards from prestigious institutions assessing the level of security and safety performance such as ROSPA

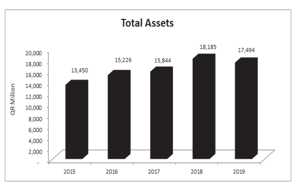
To conclude this report, the Board of Directors plans to develop and raise the company's performance over the next year and years to come, in a way that satisfies our aspirations as per God's will

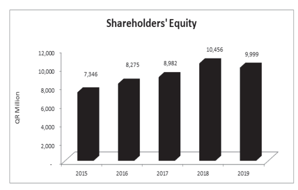
Saad Bin Sherida Al- Kaabi
Chairman

Fahad Bin Hamad Al-Mohannadi
Managing Director









INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF QATAR ELECTRICITY AND WATER COMPANY Q.P.S.C.
Report on the audit of the consolidated financial statements

Opinion

We have audited the consolidated financial statements of Qatar Electricity and Water Company Q.P.S.C. (the "Company") and its subsidiaries (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 changes in equity and consolidated statement of cash flows 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 (IFRSs).

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the consolidated financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated financial statements.

Key audit matter	How our audit address the key audit matter
Carrying value of Property, Plant and equipment	
The Group's property, plant and equipment (PPE), as set out in note 6 to the consolidated financial statements, represents 32% of the Group's total assets and, consequently, their depreciation charge for the year represents 16% of the Group's total expense. There are a number of areas where management judgment impacts the carrying value of PPE. These include: - the decision to capitalize or expense costs; - the annual useful life review including the impact due to changes in the Group 's strategy; and - assessing indicators of impairment and determining recoverable amounts. Due to the significance of the property, plant and equipment balance to the consolidated financial statements and the subjectivity involved in determining the carrying value of PPE, this is considered as a key audit matter. The PPE related disclosures included in the Notes to the consolidated financial statements are as follows: Note 2 - Accounting policy Note 3 - Judgements Note 6 - Property, plant and equipment Note 3 - Depreciation and changes in estimates	Our audit procedures included; • obtaining understanding of the Group's accounting policies for PPE and evaluating the design of key controls around the PPE processes, including controls over recording of assets in the PPE register, assets classification and useful life of assets; • evaluating the recognition criteria applied to the costs incurred and capitalized during the financial year against the requirements of the relevant accounting standards and verifying the additions to source documents on a sample basis; • evaluating management's assumptions and judgment relating to useful life PPE; • recalculating the depreciation charge, on a sample basis; • evaluating the management's assessment of possible internal and external indicators of impairment in relation to the production facilities such as obsolescence, decline in market value, operating losses etc., based on our knowledge and experience of the industry and understanding of the PWPA and assessing if impairment testing is required; • tracing the PPE and depreciation related balances to the relevant ledgers and assessing the adequacy of relevant disclosure in the consolidated financial statements.

Other Information Included in the Group's 2019 Annual Report

Other information consists of the information included in the Group's 2019 Annual Report other than the consolidated financial statements and our auditor's report thereon. Management is responsible for the other information. The Group's 2019 Annual Report is expected to be made available to us after the date of this auditor's report. Our opinion on the consolidated financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

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

Responsibilities of Management and Board of Directors for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRSs, 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 Board of Directors are responsible for overseeing the Group's financial reporting process.

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

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

As part of an audit in accordance with ISAs, 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.

• 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 Board of Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

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

Report on Legal and Other Regulatory Requirements
Furthermore, in our opinion, proper books of account have been kept by the Company, an inventory count has been conducted in accordance with established principles and the consolidated financial statements comply with the Qatar Commercial Companies' Law No. 11 of 2015 and the Company's Articles of Association. We have obtained all the information and explanations we required for the purpose of our audit, and are not aware of any violations of the above mentioned law or the Articles of Association having occurred during the year, which might have had a material adverse effect on the Group's financial position or performance.

Ziad Nader
of Ernst & Young
Auditor's Registration No. 258

Date: 16 February 2020
Doha

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
At 31 December 2019

	Notes	2019 QAR'000	2018 QAR'000
ASSETS			
Non-current assets			
Property, plant and equipment	6	**5,573,047**	5,750,268
Right-of-use assets	7	**22,584**	-
Intangible assets and goodwill	8	**90,515**	96,485
Investment in joint ventures	9	**4,545,352**	4,717,616
Equity investments at fair value through other comprehensive income	10	**1,955,212**	1,558,553
Finance lease receivables	11	**973,613**	1,117,626
Positive fair value of interest rate swaps for hedging	23	**6,485**	37,236
Loan receivable from a joint venture	9	**143,687**	-
Other assets	12	**13,997**	15,864
		13,324,492	13,293,648
Current assets			
Inventories	13	**81,499**	141,939
Trade and other receivables	14	**503,402**	491,852
Finance lease receivables	11	**144,014**	131,219
Positive fair value of interest rate swaps for hedging	23	**2,060**	8,157
Bank balances and cash	15	**3,438,597**	4,117,953
		4,169,572	4,891,120
TOTAL ASSETS		**17,494,064**	18,184,768
EQUITY AND LIABILITIES			
Equity			
Share capital	16	**1,100,000**	1,100,000
Legal reserve	17	**550,000**	550,000
General reserve	18	**3,241,834**	3,241,834
Hedge reserve	19	**(1,891,900)**	(1,053,585)
Fair value reserve	20	**338,349**	491,690
Retained earnings		**6,660,841**	6,125,641
Equity attributable to equity holders of the parent		**9,999,124**	10,455,580
Non-controlling interest	21	**235,948**	257,674
Total equity		**10,235,072**	10,713,254
Liabilities			
Non-current liabilities			
Interest bearing loans and borrowings	22	**4,116,620**	4,365,963
Negative fair value of interest rate swaps for hedging	23	**27,036**	15,988
Lease liabilities	7	**23,008**	-
Employees' end of service benefits	24	**86,730**	68,962
		4,253,394	4,450,913
Current liabilities			
Interest bearing loans and borrowings	22	**2,436,525**	2,443,820
Negative fair value of interest rate swaps for hedging	23	**9,635**	4,640
Lease liabilities	7	**958**	-
Trade and other payables	25	**558,480**	572,141
		3,005,598	3,020,601
Total liabilities		**7,258,992**	7,471,514
TOTAL EQUITY AND LIABILITIES		**17,494,064**	18,184,768

These consolidated financial statements were approved by the Parent Company's Board of Directors and signed on its behalf by the following on 16 February 2020.

H.E. Mr. Saad Bin Sherida Al-Kaabi
Chairman

Mr. Fahad Bin Hamad Al-Mohannadi
Managing Director

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
For the year ended 31 December 2019

	Notes	2019 QAR'000	2018 QAR'000
Revenue from water and electricity	26	**2,265,921**	2,470,443
Lease interest	11	**122,970**	131,048
Revenue		**2,388,891**	2,601,491
Cost of sales	27	**(1,532,701)**	(1,397,954)
Gross profit		**856,190**	1,203,537
Other income	28	**198,053**	232,349
General and administrative expenses	29	**(175,150)**	(186,057)
Operating profit		**879,093**	1,249,829
Finance costs	30	**(244,568)**	(226,835)
Share of profit of joint ventures	9	**806,141**	542,190
Profit for the year		**1,440,666**	1,565,184
Other comprehensive (loss) income:			
Other comprehensive (loss) income to be reclassified to profit or loss in subsequent periods:			
Share of other comprehensive (loss) income from joint ventures	9,19	**(785,424)**	424,104
Effective portion of changes in fair value of interest rate swaps for hedging	19	**(52,891)**	29,899
Other comprehensive (loss) income not to be reclassified to profit or loss in subsequent periods:			
Net change in fair value of equity investments at fair value through other comprehensive income	10,20	**(153,341)**	368,566
Other comprehensive (loss) income		**(991,656)**	822,569
Total comprehensive income for the year		**449,010**	2,387,753
Profit attributable to:			
Equity holders of the parent		**1,413,913**	1,536,587
Non-controlling interests		**26,753**	28,597
		1,440,666	1,565,184
Total comprehensive income attributable to:			
Equity holders of the parent		**422,257**	2,359,156
Non-controlling interests		**26,753**	28,597
		449,010	2,387,753
Earnings per share:			
Basic and diluted earnings per share (Qatari Riyals)	31	**1.29**	1.40

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
For the year ended 31 December 2019

	Attributable to the equity holders of the parent								
	Share capital QAR'000	Legal reserve QAR'000	General reserve QAR'000	Hedge reserve QAR'000	Fair value reserve QAR'000	Retained earnings QAR'000	Total QAR'000	Non-controlling interests QAR'000	Total equity QAR'000
Balance at 1 January 2018 (as previously reported)	1,100,000	550,000	3,241,834	(1,507,588)	123,124	5,474,510	8,981,880	250,218	9,232,098
Adoption of IFRS 9	-	-	-	-	-	(4,365)	(4,365)	-	(4,365)
Balance at 1 January 2018 (as restated)	1,100,000	550,000	3,241,834	(1,507,588)	123,124	5,470,145	8,977,515	250,218	9,227,733
Profit for the year	-	-	-	-	-	1,536,587	1,536,587	28,597	1,565,184
Other comprehensive income	-	-	-	454,003	368,566	-	822,569	-	822,569
Total comprehensive income for the year	-	-	-	454,003	368,566	1,536,587	2,359,156	28,597	2,387,753
Dividends relating to year 2017 (Note 32)	-	-	-	-	-	(852,500)	(852,500)	(21,141)	(873,641)
Contribution to social and sports support fundfor 2018 (Note 33)	-	-	-	-	-	(28,591)	(28,591)	-	(28,591)
Balance at 31 December 2018	1,100,000	550,000	3,241,834	(1,053,585)	491,690	6,125,641	10,455,580	257,674	10,713,254
Balance at 1 January 2019	1,100,000	550,000	3,241,834	(1,053,585)	491,690	6,125,641	10,455,580	257,674	10,713,254
Profit for the year	-	-	-	-	-	1,413,913	1,413,913	26,753	1,440,666
Other comprehensive loss	-	-	-	(838,315)	(153,341)	-	(991,656)	-	(991,656)
Total comprehensive income for the year	-	-	-	(838,315)	(153,341)	1,413,913	422,257	26,753	449,010
Dividends relating to year 2018 (Note 32)	-	-	-	-	-	(852,500)	(852,500)	(48,479)	(900,979)
Contribution to social and sports support fund for 2019 (Note 33)	-	-	-	-	-	(26,213)	(26,213)	-	(26,213)
Balance at 31 December 2019	**1,100,000**	**550,000**	**3,241,834**	**(1,891,900)**	**338,349**	**6,660,841**	**9,999,124**	**235,948**	**10,235,072**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS At 31 December 2019 In thousands of Qatari Riyals

CONSOLIDATED STATEMENT OF CASH FLOWS
For the year ended 31 December 2019

	Notes	2019 QAR'000	2018 QAR'000
OPERATING ACTIVITIES			
Profit for the year		**1,440,666**	1,565,184
Adjustments for:			
Depreciation of property, plant and equipment and right-of-use assets	6 & 7	**278,877**	279,525
Share of profits of joint ventures	9	**(806,141)**	(542,190)
Provision for employees' end of service benefits	24	**25,229**	5,361
Dividend income from equity investments at fair value through other comprehensive income	28	**(64,063)**	(38,049)
Profit on disposal of property, plant and equipment	28	-	(58,994)
Amortisation of intangible assets	8	**5,970**	5,970
Provision for slow-moving inventories	13	**14,416**	17,289
Amortisation of other assets	29	**1,867**	1,979
Interest income	28	**(128,212)**	(112,386)
Interest expense		**235,493**	217,561
Operating profit before working capital changes		**1,004,102**	1,341,250
Working capital changes:			
Inventories		**46,024**	71,600
Trade and other receivables		**(3,272)**	386,035
Finance lease receivables		**131,218**	117,487
Trade and other payables		**(46,436)**	(88,375)
Cash flows from operating activities		**1,131,636**	1,827,997
Employees' end of service benefits paid	24	**(7,461)**	(10,384)
Net cash flows from operating activities		**1,124,175**	1,817,613
INVESTING ACTIVITIES			
Acquisition of property, plant and equipment	6	**(99,399)**	(110,313)
Proceeds from disposal of property, plant and equipment		-	59,008
Dividends received from equity investments at fair value through other comprehensive income	10	**64,063**	38,049
Dividends received from joint ventures	9	**192,981**	303,993
Additional investment made in Umm Al Houl Power Company Q.S.C.	9	-	(919,218)
Investments in equity investments at fair value through other comprehensive income	10	**(550,000)**	(488,410)
Interest income received		**119,934**	130,179
Net movement in term deposits with original maturity over 90 days		**(261,991)**	180,054
Net cash flows used in investing activities		**(534,412)**	(806,658)
FINANCING ACTIVITIES			
Net movements in interest bearing loans and borrowings		**(256,638)**	943,703
Net movement in loan receivable from a joint venture	9	**(143,687)**	-
Dividends paid		**(845,938)**	(849,601)
Dividends paid to non-controlling interests	21	**(48,479)**	(21,141)
Interest expense paid		**(235,493)**	(217,561)
Payment of principal portion of lease liabilities		**(875)**	-
Net cash flows used in financing activities		**(1,531,110)**	(144,600)
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS		**(941,347)**	866,355
Cash and cash equivalents at 1 January		**1,430,376**	564,021
CASH AND CASH EQUIVALENTS AT 31 DECEMBER	15	**489,029**	1,430,376

1 REPORTING ENTITY
Qatar Electricity and Water Company Q.P.S.C. ("the Company") is a Qatari Public Shareholding Company incorporated in the State of Qatar under commercial registration number 14275. The Company commenced its commercial operations in March 1992. The registered office of the Company is located at Al-Markhiya Street, Madinah Khalifah North Area, Doha, State of Qatar. The Company's shares are listed on the Qatar Exchange since 3 May 1998.
The Company was previously known as Qatar Electricity & Water Company Q.S.C. As per the requirement of the Qatar Commercial Companies Law No. 11 of 2015 the legal status of the Company has changed into "Qatar Public Shareholding Company" after the amendment made in to the Article of Association on 6 March 2017.
The consolidated financial statements comprise the Company and its subsidiaries (collectively referred as the "Group" and individually as the "Group entities").
The principal activities of the Group, which have not changed from the previous year, are to develop, own and operate plants for the production of electricity and desalinated water and to supply them to the state owned "Qatar General Electricity and Water Corporation'' (otherwise known as "KAHRAMAA").
The Company has following subsidiaries as at 31 December:

Name of entities	*Principal activity*	*Country of incorporation*	*Ultimate ownership interest* 2019	2018
Ras Laffan Operating Company W.L.L.	Plant operation and maintenance	Qatar	**100%**	100%
Ras Laffan Power Company Limited Q.P.S.C.	Generation of electricity & production of desalinated water	Qatar	**80%**	80%

The Company has following joint ventures as at 31 December:

Name of entities	*Principal activity*	*Country of incorporation*	*Ultimate ownership interest* 2019	2018
Qatar Power Q.P.J.S.C.	Generation of electricity & production of desalinated water	Qatar	**55%**	55%
Mesaieed Power Company Limited Q.P.S.C.	Generation of electricity	Qatar	**40%**	40%
Ras Girtas Power Company Q.S.C.	Generation of electricity & production of desalinated water	Qatar	**45%**	45%
Nebras Power Q.P.S.C.	Investments in electricity and desalinated water projects outside the State of Qatar	Qatar	**60%**	60%
Umm Al Houl Power Q.P.S.C.	Generation of electricity & production of desalinated water	Qatar	**60%**	60%
Siraj Energy Q.P.S.C.	Identifying, evaluating and development of solar power opportunities	Qatar	**60%**	60%

2 MAJOR TRANSACTIONS AND AGREEMENTS OF THE GROUP
Below are the major transactions and agreements of the Group in chronological order:
a) On 10 February 1999, the Company entered into an agreement with the State of Qatar for the purchase of the power plant at Ras Abu Fontas B ("RAF B"). Based on the agreement, the Company was assigned the operation and management of the power plant.
b) In April 2001, the Company entered into a Power Purchase Agreement with the Qatar General Electricity & Water Corporation (hereafter the "KAHRAMAA") for the supply of electricity from the Company's Ras Abu Fontas B1 ("RAF B1") station, which commenced commercial operations on 29 August 2002.
c) In January 2003, the Company purchased the four stations set out below from KAHRAMAA for a total consideration of QR 600 million. A Power and Water Purchase Agreement (hereafter "PWPA") was also signed with KAHRAMAA for its supply of electricity and desalinated water from these stations:
• Ras Abu Fontas A ("RAF A")
• Al Wajbah
• Al Saliyah
• Doha South Super
The Company discontinued the operations of the Al-Wajbah station during 2010 following instructions received from the State of Qatar. Also, Al Saliyah and Doha South Super facilities were discontinued as the relevant contracts with KAHRAMAA expired on 31 December 2014.
The Company discontinued the operations of the Ras Abu Fontas "A" station (RAF A) with effect from 31 December 2017.
d) In January 2003, the Company acquired from Qatar Petroleum the Dukhan Desalination Plant for QR 71.66 million. Subsequent to the conclusion of this purchase agreement, the Company also concluded a Land Lease Agreement, a Water Purchase Agreement, and a Fuel Supply Agreement with Qatar Petroleum relating to the Dukhan Desalination Plant.
e) On 27 January 2005 Qatar Power Q.P.J.S.C. was incorporated as a joint venture for the production of electricity and desalinated water from the Ras Laffan B Integrated Water and Power Plant. The percentage shareholdings in Qatar Power Q.P.J.S.C. as at the current and the comparative reporting dates were as follows:
• Qatar Electricity & Water Company Q.P.S.C. (55%)
• International Power Plc (40%)
• Chubu Electric Power Company (5%)
f) In October 2005, the Company entered into a PWPA with KAHRAMAA for the supply of electricity and desalinated water from the Company's Ras Abu Fontas B2 ("RAF B2") station.
g) On 15 January 2007, Mesaieed Power Company Limited Q.P.S.C. was incorporated as a joint venture between the Company, Marubeni Corporation and Qatar Petroleum for the production of electricity from the Mesaieed power plant. In May 2009, Chubu Electric Power Company joined the joint venture. The shareholdings in Mesaieed Power Company Limited Q.P.S.C. as at the current and the comparative reporting dates were as follows:
• Qatar Electricity & Water Cmpany Q.P.S.C.(40%)
• Marubeni Corporation (30%)
• Qatar Petroleum (20%)
• Chubu Electric Power Company (10%)
h) In May 2007, the Company entered into a Water Purchase Agreement with KAHRAMAA for the supply of desalinated water from the Company's Ras Abu Fontas A1 ("RAF A1") station (an extension of ("RAF A").
i) On 25 March 2008, Ras Girtas Power Company Q.S.C. was incorporated as a joint venture for the production of electricity and desalinated water from the Ras Laffan C plant. The percentage shareholdings in Ras Girtas Power Company Q.S.C. as at the current and the comparative reporting dates were as follows:
• Qatar Electricity & Water Company Q.P.S.C. (45%)
• RLC Power Holding Company(40%)
• Qatar Petroleum(15%)
j) On 20 May 2013, Nebras Power Q.P.S.C. was incorporated as a joint venture for the purpose of acquiring electricity and water production projects outside the State of Qatar. The percentage shareholdings in Nebras Power Q.P.S.C. as at the current and the comparative reporting dates were as follows:
• Qatar Electricity & Water Company Q.P.S.C. (60%)
• Qatar Holding L.L.C. (40%)
k) On 13 May 2015, Umm Al Houl Power Q.P.S.C. was incorporated as a joint venture for the purpose of the production of electricity and desalinated water from the Facility D plant. The percentage shareholdings in Umm Al Houl Power Q.P.S.C. as at the current and the comparitive reporting dates were as follows:
• Qatar Electricity & Water Company Q.P.S.C. (60%)
• Qatar Petroleum (5%)
• Qatar Foundation for Education, Science & Community Development (5%)
• K1 Energy Limited, incorporated in the U.K.(30%)
l) On 13 October 2015, the Company entered into a Water Purchase Agreement (WPA) for the Ras Abu Fontas A3 Water project with KHARAMAA.
m) On 25 September 2017, Siraj Energy Q.P.S.C. was incorporated as a Joint Venture Company for the purpose of identifying, evaluating and development of solar power opportunities in the State of Qatar. The percentage shareholdings in Siraj Energy Q.P.S.C. as at the current and the comparitive reporting dates were as follows:
• Qatar Electricity & Water Company Q.P.S.C. (60%)
• Qatar Petroleum (40%)

3 BASIS OF PREPARATION
Statement of compliance
The 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).
Basis of measurement
The consolidated financial statements are prepared under the historical cost convention, except for equity investments at fair value through other comprehensive income and derivative financial instruments which are measured at fair value.
Functional and presentation currency
These consolidated financial statements have been presented in Qatari Riyals ("QAR"), which is the Group's functional currency. All amounts have been rounded to the nearest thousand, unless otherwise indicated.
Significant accounting judgments, estimates and assumptions
The preparation of the Group's consolidated financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.
Judgments
In the process of applying the Group's accounting policies, management has made the following judgements
Power and Water Purchase Agreements
The Company has entered into several long-term Power and Water Purchase Agreements ("PWPA") with Kahramaa and Qatar Petroleum as mentioned in Note 2. Management does not consider the PWPA to fall within the scope of IFRIC 12 Service Concession Arrangements.
Based on management's estimate of the useful life and residual value of the assets, Kahramaa is not determined to control any significant residual interest in the property at the end of the concession term through ownership, beneficial entitlement or otherwise. The classification of the PWPA as an operating lease is based on the judgement applied by management which considers that the Group retains the principal risks and rewards of ownership of the plants, based on management's estimate of the useful life and residual value of the assets. An estimate of the useful life of the asset and residual value is made and reviewed annually. The effects of changes in useful life are recognised prospectively, over the remaining life of the asset.
One of the Group's subsidiary has entered into PWPA with Kahramaa. Management has determined this arrangements to be a finance lease under IFRIC 4 - Determining whether an arrangement contains a lease by applying the requirements of the interpretation. Accordingly, this has been accounted as a finance lease.
Operating lease commitment
As mentioned above, the Company has entered into various PWPAs. Under the PWPAs, the Company receives payment for the provision of power and water capacity, whether or not the offtaker (Kahramaa) requests power or water output ("capacity payments"), and for the variable costs of production ("energy and water payments"). The Group has determined the PWPAs are lease arrangements and that, based on the contractual arrangements in place, management considers that the Group retains the principal risks and rewards of ownership of the plants and so accounts for the PWPAs as operating leases. When there are amendments to the PWPAs, management reconsiders whether the Group continues to retain the principal risks and rewards of ownership of the plants.
Going concern
The Group's management has made an assessment of the Group's ability to continue as a going concern and is satisfied that the Group has the resources to continue in business for the foreseeable future. Furthermore, the management is not aware of any material uncertainties that may cast significant doubt upon the Group's ability to continue as a going concern. Therefore, the consolidated financial statements continue to be prepared on a going concern basis.
Classification of investment in joint ventures
The Group has various investment in joint ventures. Despite holding more than 50% shareholding of these entities, by virtue of the contractual agreements, the Group does not have control over the financial and operating policy decisions of the joint venture entities. The decisions about the relevant activities of the joint ventures entities require the unanimous consent of all the parties.
Estimates
Useful life of property, plant and equipment
Items of property, plant and equipment are depreciated over their estimated individual useful lives. The determination of useful lives is based on the expected usage of the asset, which is based on the physical wear and tear, technological or commercial obsolescence, and impacts the annual depreciation charge recognized in the consolidated financial statements. Management reviews the useful lives of these assets annually. Future depreciation charge could be materially adjusted where management believes the useful lives differ from previous estimates. In 2018, the Group revised the estimated economic useful life of the production facilities from 25 years to 30 years.
Management believes that the revised estimated economic useful life and residual value reflect more appropriately the economic useful life and residual value of the assets and are in line with industry practice making the Group's
Impairment of goodwill
Determining whether goodwill is impaired requires an estimation of the value in use of the cash-generating units to which goodwill has been allocated. The value in use calculation requires the directors to estimate the future cash flows expected to arise from the cash-generating unit and a suitable discount rate in order to calculate present value. Where the actual future cash flows are less than expected, a material impairment loss may arise.
Impairment of investment in the joint ventures
The Group determines, at each reporting date, whether there is any objective evidence that the investment in joint ventures is impaired. If this is the case, the Group calculates the amount of impairment as the difference between the recoverable amount of the joint ventures and their carrying value and recognises that amount in the 'share of results of joint ventures' in the consolidated income statement.
Finance lease receivable
The Group's management determines estimated future cash flows in respect of capacity charge for calculating effective interest rate of finance lease. This estimate is determined after considering the expected Scheduled and Forced outage of power supply in the future years. Management reviews the estimates annually while any difference between the estimated finance lease income and actual finance lease income is charged directly to the consolidated statement of profit or loss of the respective period.
Impairment of non-financial assets (other than inventories and property, plant and equipment)
The carrying amounts of the Group's non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. The determination of what can be considered impaired requires judgement. As at the reporting date, management did not identify any evidence from internal reporting indicating impairment of an asset or class of assets and there were no significant adverse changes in the market that could have an adverse effect on its assets. If such indication exists, then an impairment test is performed by the management. The determination of recoverable amounts require management to make significant judgments, estimations and assumptions.
Impairment of inventories
When inventories become old or obsolete, an estimate is made of their net realizable value. For individually significant amounts this estimation is performed on an individual basis. Amounts which are not individually significant, but which are old or obsolete, are assessed collectively and a provision is applied according to the inventory type and the degree of ageing or obsolescence, based on historical selling prices. The necessity and setting up of a provision for slow moving and obsolete inventories requires considerable degree of judgment.
Fair value of financial instruments
Where the fair values of financial assets and financial liabilities recorded on the statement of financial position cannot be derived from active markets, they are determined using a variety of valuation techniques that include the use of mathematical models. The input to these models is taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values. The judgments include considerations of liquidity and model inputs such as correlation and volatility for longer dated derivatives.

4 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES
New and amended standards and interpretations
The accounting policies adopted are consistent with those of the previous financial year, except for the following new and amended standards and interpretations issued by the International Accounting Standards Board (IASB) and International Financial Reporting Interpretations Committee (IFRIC) effective as of 1 January 2019 as noted below:

Standards and interpretations	*Effective date*
IFRS 16 Leases	1 January 2019
Amendments to IFRS 9: Prepayment Features with Negative Compensation	1 January 2019
Amendments to IAS 19: Plan Amendment, Curtailment or Settlement	1 January 2019
Amendments to IAS 28: Long-term interests in associates and joint ventures	1 January 2019
Annual Improvements 2015-2017 Cycle	
IFRS 3 Business Combinations	1 January 2019
IFRS 11 Joint Arrangements	1 January 2019
IAS 23 Borrowing Costs	1 January 2019

The adoption of new and amended standards and interpretations do not have a material impact on the financial statements of the Group other than IFRS 16 Leases. The nature and effect of the changes as a result of adoption of IFRS 16 Leases are described below. The Group has not early adopted any standards, interpretations or amendments that have been issued but are not yet effective.

IFRS 16 Leases
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 recognise most leases on the Statement of financial position.
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 to not reassess whether a contract is, or contains a lease at 1 January 2019. Instead, the Group applied the standard only to contracts that were previously identified as leases applying IAS 17 and IFRIC 4 at the date of initial application.

The effect of adoption of IFRS 16 as at 1 January 2019 is as follows:

Impact on the statement of consolidated financial position:	*1 January 2019*
Asset	
Right-of-use assets	**24,841**
Liability	
Lease liabilities	**24,841**

The Group has lease contracts for land and buildings. Before the adoption of IFRS 16, the Group classified each of it as leases (as lessee) at the inception date as either a finance lease or an operating lease. A lease was classified as a finance lease if it transferred substantially all of the risks and rewards incidental to ownership of the leased asset to the Group; otherwise it was classified as an operating lease.
Upon adoption of IFRS 16, the Group applied a single recognition and measurement approach for all leases (as lessee), except for short-term leases.
The Group recognised right-of-use assets and lease liabilities for those leases previously classified as operating leases, except for short-term leases. The right-of-use asset was recognised based on the amount equal to the lease liability, adjusted for any related prepaid and accrued lease payments previously recognised. Lease liability was recognised based on the present value of the remaining lease payments, discounted using the incremental borrowing rate at the date of initial application.
The Group also applied the available practical expedients wherein it:
• Applied the short-term lease exemptions to lease with lease term that ends within 12 months of the date of initial application
• Used hindsight in determining the lease term where the contract contained options to extend or terminate the lease
The reconciliation of lease liabilities as at 1 January 2019 to the operating lease commitments as of 31 December 2018, as follows:

	2019 QAR'000
Operating lease commitments as at 31 December 2018	**30,281**
Discounted using the incremental borrowing rate at 1 January 2019	**24,841**
Lease liabilities recognized at 1 January 2019	**24,841**

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

Topics	*Effective date*
IFRS 17 Insurance Contracts	1 January 2021

5 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been applied consistently to both years presented in these consolidated financial statements.
Basis of consolidation
The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at 31 December 2019. 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
• The ability to use its power over the investee to affect its returns
Generally, there is a presumption that a majority of voting rights results in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:
• The contractual arrangement(s) with the other vote holders of the investee
• Rights arising from other contractual arrangements
• The Group's voting rights and potential voting rights
The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.
Profit or loss and each component of OCI are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.
A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.
If the Group loses control over a subsidiary, it derecognises the related assets (including goodwill), liabilities, non-controlling interest and other components of equity, while any resultant gain or loss is recognised in profit or loss. Any investment retained is recognised at fair value.
Business combinations and goodwill
Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, which is 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-related costs are expensed as incurred and included in administrative expenses.
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 reassessment 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. 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 has been allocated to a cash-generating unit (CGU) and part of the operation within that unit is disposed of, 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 in these circumstances is measured based on the relative values of the disposed operation and the portion of the cash-generating unit retained.
Interest in joint ventures
A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control.
The considerations made in determining significant influence or joint control are similar to those necessary to determine control over subsidiaries. The Group's investment in its joint venture are accounted for using the equity method.
Under the equity method, the investment in a joint venture is initially recognised at cost. The carrying amount of the investment is adjusted to recognise changes in the Group's share of net assets of the joint venture since the acquisition date. Goodwill relating to the joint venture is included in the carrying amount of the investment and is not tested for impairment separately.
The statement of profit or loss reflects the Group's share of the results of operations of the joint venture. Any change in OCI of those investees is presented as part of the Group's OCI. In addition, when there has been a change recognised directly in the equity of the joint venture, the Group recognises its share of any changes, when applicable, in the statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and the joint venture are eliminated to the extent of the interest in the joint venture.
The aggregate of the Group's share of profit or loss of a joint venture is shown on the face of the statement of profit or loss outside operating profit and represents profit or loss after tax and non-controlling interests in the subsidiaries of the joint venture.
The financial statements of the joint venture are prepared for the same reporting period as the Group. When necessary, adjustments are made to bring the accounting policies in line with those of the Group.
After application of the equity method, the Group determines whether it is necessary to recognise an impairment loss on its investment in its joint venture. At each reporting date, the Group determines whether there is objective evidence that the investment in the 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 joint venture and its carrying value, and then recognises the loss within 'share of profit of an associate and a joint venture' in the statement of profit or loss.
Upon loss of 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 joint venture upon loss of joint control and the fair value of the retained investment and proceeds from disposal is recognised in profit or loss.
Property, plant and equipment
Recognition and measurement
Items of property, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses.
Cost includes expenditure that is directly attributable to the acquisition or construction of an asset. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.
The costs of initial spare parts included under capital spares received for the maintenance of the three gas turbinegenerators at RAF B2 are capitalised. If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment.
Subsequent expenditure
The cost of renovations or replacement of a component of an item of property, plant and equipment is included in the carrying amount of the asset or recognised as a separate asset, as appropriate only when it is possible that the future economic benefits associated with the asset will flow to the Group, and its cost can be measured reliably. The carrying amount of the replaced component is derecognised. The costs of day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred.
Depreciation
Depreciation is calculated to write-off the cost of items of property, plant and equipment less their estimated residual values using the straight-line method over their estimated useful lives, and is recognised in profit or loss.
The estimated useful lives of the property, plant and equipment in the current year and comparative year are as follows:

	2019	2018
Production facilities	**30 years**	30 years
Furniture, fixtures and office equipment	**3-7 years**	3-7 years
Motor vehicles	**4 years**	4 years
"C" inspection costs	**3-5 years**	3-5 years

Land and capital work-in-progress are not depreciated. Once completed work-in-progress are re-classified to the appropriate category of property, plant and equipment and depreciated accordingly. Land is not depreciated.
Depreciation methods, residual values and useful lives are reviewed at each reporting date and adjusted prospectively, if appropriate.
An item of property, plant and equipment is derecognised upon disposal (i.e. at the date the recipient obtain control) or when no future economic benefits are expected from its use or disposal. Profits and losses on disposals of items of property, plant and equipment are determined by comparing the proceeds from their disposals with their respective carrying amounts, and is included in the consolidated statement of profit or loss.
Intangible assets
Recognition and measurement
Intangible assets comprise the Power and Water Purchase Agreements (PWPA) that are acquired by the Group and have finite useful lives and are measured at cost less accumulated amortization and any accumulated impairment losses, if any.
Subsequent expenditure
Subsequent expenditure is capitalized only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and brands, is recognized in profit or loss as incurred.
Amortization
Amortization is calculated to write off the cost of intangible assets less their estimated residual values using the straight-line method over their estimated useful lives, and is recognized in the consolidated statement of profit or loss.
The estimated useful life of the contract rights over the Power and Water Purchase Agreement is 25 years.
Amortization methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.
An intangible asset is derecognized upon disposal (i.e. at the date the recipient obtains control) or losses when no future economic benefits are expected from its use or disposal. Any gain or loss arising upon derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the consolidated statement of profit or loss.
Inventories
Inventories comprise spare parts, chemicals and consumables, which are measured at the lower of cost or net realisable value. The cost of inventories is based on the weighted average method, and includes expenditure incurred in acquiring the inventories and other costs incurred in bringing them to their existing location and condition. Net realisable value is the estimated selling price in the ordinary course of business and the estimated costs necessary to make the sale.
Impairment of non-financial assets
At each reporting date, the Group reviews the carrying amounts of its non-financial assets other than inventories to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. Goodwill is tested annually for impairment.
For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs. Goodwill arising from a business combination is allocated to CGUs or groups of CGUs that are expected to benefit from the synergies of the combination.
The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, 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 or CGU.
An impairment loss is recognized if the carrying amount of an asset or CGU exceeds its recoverable amount.
Impairment losses are recognized in profit or loss. They are allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets in the CGU on a pro rata basis.
An impairment loss in respect of goodwill is not reversed. For other assets, an impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.
Leases
Accounting policies applied from 01 January 2019
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 lease. The Group recognizes lease liability to make lease payments and right-of-use asset representing the right to use the underlying asset.
Right-of-use assets
The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses. The cost of right-of-use assets includes the amount of leased liabilities recognised.
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 asset, as follows:
Right-of-use assets 11 years
The carrying amounts of right-of-use assets are reviewed for impairment when events or changes in circumstances indicate the carrying amount may not be recoverable. If any such indication exists and where the carrying amount exceed the estimated recoverable amount, the asset is written down to their recoverable amount, being the higher of their fair value less costs to sell and their value in use.
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. 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 liability is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liability is remeasured if there is a modification, a change in the lease term, a change in the lease payments or a change in the assessment of an option to purchase the underlying asset.
Short-term leases
The Group applies the short-term lease recognition exemption to its short-term leases (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 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.
Group as a lessor
The Group has determined that one of the subsidiary's Power and Water Purchase Agreement (PWPA) with KAHRAMAA contains a lease and, accordingly, the Group has accounted for the cost of the plant as a finance lease receivable.
Leases where the Group transfers substantially all the risks and benefits of ownership of the assets are classifiedas finance leases and are presented as receivables at an amount equal to the net investment in the lease. Netinvestment in the lease is the gross investment in the lease discounted at the interest rate implicit in the lease.Income from finance leases in which the Group is a lessor is recognised based on a pattern reflecting a constantperiodic rate of return on the Group's net investment in the finance lease.
Accounting policies applied from 01 January 2018
Finance lease receivable
Subsequent to the application of IFRIC 4 "Determining whether an arrangement contains a lease", one of the Group's subsidiary has determined that its Power and Water Purchase Agreement (PWPA) with KAHRAMAA contains a lease and, accordingly, the Group has accounted for the cost of the plant as a finance lease receivable in line with the provisions in IAS 17 "Leases".
Initial recognition
The Group presented the plant held under a finance lease in its statement of financial position as a "Finance lease receivable" at an amount equal to the lower of its fair value (cost of construction) and the present value of the minimum lease payments to be made by KAHRAMAA over the 25 years of the PWPA.
Subsequent measurement
The Group aims to allocate the lease payments made by KAHRAMMA to the Group over the lease term (25 years) on a systematic and rational basis. This income allocation is based on a pattern reflecting a constant periodic return on the Group's investment in the finance lease. Lease payments relating to the year are applied against the gross investment in the lease to reduce both the principal and the unearned finance income.
Operating leases (Group as a lessee)
Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to profit or loss on a straight-line basis over the period of the lease.
Operating leases (Group as a lessor)
Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Capacity income arising is accounted for on a straight-line basis over the lease terms and is included in revenue in the consolidated statement of profit or loss due to its operating nature.
Financial assets
(i) Classification
The Group classifies its financial assets in the following measurement categories:
• those to be measured subsequently at fair value through other comprehensive income (FVOCI) and
• those to be measured at amortised cost
The classification is based on two criteria:
- The Group's business model for managing the assets; and
- Whether the instruments' contractual cash flows represent 'solely payments of principal and interest (Profit) on the principal amount outstanding (the "SPPI criterion").
Business model: the business model reflects how the Group manages the assets in order to generate cash flows. That is, whether the Group's objective is solely to collect the contractual cash flows from the assets or is to collect both the contractual cash flows and cash flows arising from the sale of assets. If neither of these is applicable (e.g. financial assets are held for trading purposes), then the financial assets are classified as part of 'other' business model and measured at fair value through profit or loss ('FVTPL"). Factors considered by the Group sets were collected, how the asset's performance is evaluated and reported to key management personnel, how risks are assessed and managed and how managers are compensated.
SPPI: Where the business model is to hold assets to collect contractual cash flows or to collect contractual cash flows and sell, the Group assesses whether the financial instruments' cash flows represent solely payments of principal and interest (Profit) (the 'SPPI test'). In making this assessment, the Group considers whether the contractual cash flows are consistent with a basic lending arrangement, i.e. interest (Profit) includes only consideration for the time value of money, credit risk, other basic lending risks and a profit margin that is consistent with a basic lending arrangement. Where the contractual terms introduce exposure to risk or volatility that are inconsistent with a basic lending arrangement, the related financial asset is classified and measured at Fair value through profit or loss (FVTPL).
(ii) Measurement
Debt instruments
Debt instruments of the Group are subsequently measured at "amortised cost". This category includes trade receivables, amounts due from related parties, other receivables and bank balances.
Debt instruments at amortised cost are financial assets that are held within a business model with the objective to hold the financial assets in order to collect contractual cash flows that meet the SPPI criterion. A gain or loss on a debt instrument that is subsequently measured at amortised cost is recognised in profit or loss when the asset is derecognised or impaired. Interest income "Profit" from these financial assets is included in finance income using the effective interest rate (Profit) method.
The Group reclassifies debt instruments when and only when its business model for managing those assets changes. The reclassification takes place from the start of the first reporting period following the change. Such changes are expected to be very infrequent.
Equity instruments
Upon initial recognition, the Group elects to classify its equity investments as equity instruments at Fair value through other comprehensive income (FVOCI) when they meet the definition of equity under IAS 32 Financial Instruments: Presentation, and are not held for trading. Such classification is determined on an instrument-byinstrument basis.

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Gains and losses on these equity instruments are never recycled to profit. Dividends are recognised in profit or loss as other income when the right of the payment has been established, except when the Group benefits from such proceeds as a recovery of part of the cost of the instrument, in which case, such gains are recorded in other comprehensive income. Equity instruments at FVOCI are not subject to an impairment assessment

iii) 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 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 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.

iv) Impairment of financial assets

The Group recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

For trade receivables including related parties, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

Financial liabilities

i) Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Group's financial liabilities include loan and borrowings, due to related parties, trade payable and other payables.

ii) Subsequent measurement

The measurement of financial liabilities depends on their classification.

Loans and borrowings (Amortized cost)

This is the category most relevant to the Group. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit or loss. The Group's financial liabilities trade and other payables, loans and borrowings, accrued expenses and other payables can be categorise in to this category.

iii) Derecognition

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

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the 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, to realise the assets and settle the liabilities simultaneously.

Derivative financial instruments and hedge accounting

The Group holds derivative financial instruments to hedge its interest rate risk exposures.

Derivatives are recognized initially at fair value; any directly attributable transaction costs are recognized in profit or loss as they are incurred. Subsequent to initial recognition, derivatives are measured at fair value. When a derivative is designated as a cash flow hedging instrument, the effective portion of changes in the fair value of the derivative is recognized in other comprehensive income and accumulated in the hedging reserve. Any ineffective portion of changes in the fair value of the derivative is recognized immediately in profit or loss.

The amount accumulated in equity is retained in other comprehensive income and reclassified to profit or loss in the same period or periods during which the hedged item affects profit or loss.

If the hedging instrument no longer meets the criteria for hedge accounting, expires or is sold, terminated or exercised, or the designation is revoked, then hedge accounting is discontinued prospectively. If the forecast transaction is no longer expected to occur, then the amount accumulated in equity is reclassified to profit or loss.

Provision for employees' end of service benefits

With respect to the expatriate employees, the Group provides end of service benefits to its expatriate employees in accordance with employment contracts and the Qatar Labour Law. The entitlement to these benefits is based upon the employees' final salary and length of service, subject to the completion of a minimum service period, and are payable to the employees on termination of their employment. The expected costs of these benefits are accrued over the period of employment.

With respect to the Qatari nationals, the Group makes contributions to Qatar Retirement and Pension Authority as a percentage of the employees' salaries in accordance with the requirements of respective local laws pertaining to retirement and pensions. The Group's share of contributions to these schemes are charged to profit or loss in the year to which they relate. In addition, the Group provides end of service benefits to its Qatari employees in accordance with requirements of respective local laws and guidance. The entitlement to these benefits is based upon the employees' final salary and length of personal service, subject to the completion of 20 years personal service and are subject to the employers on termination of their employment. The expected cost of these benefits are accrued upon completion of 20 years for year in excess of the 20 years threshold.

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 able to be reliably measured.

Revenue recognition

The Group recognises revenue from contracts with customers based on a five step model as set out in IFRS 15:

• Step 1. Identify the contracts with a customer: A contract is defined as an agreement between two or more parties that creates enforceable rights and obligations and sets out the criteria for every contract that must be met.

• Step 2. Identify the performance obligations in the contract: A performance obligation is a promise in a contract with a customer to transfer a good or service to the customer.

• Step 3. Determine the transaction price: The transaction price is the amount of consideration to which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

• Step 4. Allocate the transaction price to the performance obligations in the contract: For a contract that has more than one performance obligation, the Group will allocate the transaction price to each performance obligation in an amount that depicts the amount of consideration to which the Group expects to be entitled in exchange for satisfying each performance obligation.

• Step 5. Recognise revenue when (or as) the entity satisfies a performance obligation

The Group recognises as revenue, the amount of the transaction price that is allocated to that performance obligation. Consideration payable to a customer is recognised as a reduction of the transaction price and, therefore, of revenue unless the payment to the customer is in exchange for a distinct good or service that the customer transfers to the Group.

The Group satisfies a performance obligation and recognises revenue over time, if one of the following criteria is met:

• The customer simultaneously receives and consumes the benefits provided by the Group's performance as the Group performs; or

• The Group's performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or

• The Group's performance does not create an asset with an alternative use to the Group and the entity has an enforceable right to payment for performance completed to date.

For performance obligations where one of the above conditions are not met, revenue is recognised at the point in time at which the performance obligation is satisfied.

Revenue from sale of water and electricity is recognised at a point in time when control of the goods and service is transferred to the customer, generally on delivery of the goods and service. The Group recognises output charges revenue based on the sent-out power and water on a monthly basis. As soon as power and water are transmitted to Kahramaa and forwarded to Kahramaa's receiving points, Kahramaa gets control over the products.

When the Group satisfies a performance obligation by transferring a promised good or service, the Group has earned a right to consideration from the customer and, therefore, has a contract asset in the form of account receivable.

Dividend income

Dividend income from investments is recognized when the shareholder's right to receive payment has been established.

Interest income

Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

Foreign currency transactions and balances

Transactions in foreign currencies during the year are translated into the functional currency of the Company at the exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the end of the year are translated into the functional currency at the exchange rate at the reporting date. Foreign currency differences are recognized in the consolidated statement of profit or loss.

Dividend distribution to the Company's shareholders

Dividend distribution to the Company's shareholders is recognised as a liability in the Company's consolidated financial statements in the year in which the dividends are approved by the Company's shareholders.

Government grants

A government grant in the form of a transfer of a non-monetary asset, such as land or other resources, which is intended for use by the entity are recognised, at a nominal amount.

Fair values

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.

Current versus non-current classification

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

• Expected to be recognise or intended to be sold or consumed in normal operating cycle

• Held primarily for the purpose of trading

• Expected to be recognise within twelve months after the reporting period, or

• Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

• It is expected to be settled in normal operating cycle

• It is held primarily for the purpose of trading

• It is due to be settled within twelve months after the reporting period, or

• There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The Group classifies all other liabilities as non-current.

6 PROPERTY, PLANT AND EQUIPMENT

	Land	*Production facilities (A)*	*Furniture, fixtures & office equipment*	*Motor vehicles*	*"C" inspection costs (B)*	*Capital spares*	*Capital work in progress*	*Total*
	QAR'000	QAR'000	QAR'000	QAR'000	QAR'000	QAR'000	QAR'000	QAR'000
Cost								
At 1 January 2019	174,901	10,669,457	35,316	6,565	205,493	50,487	96,872	11,239,091
Additions	-	241	912	215	-	-	98,031	99,399
Reclassification	-	-	-	-	38,597	-	(38,597)	-
Disposals	-	-	(115)	-	(68,978)	-	-	(69,093)
At 31 December 2019	174,901	10,669,698	36,113	6,780	175,112	50,487	156,306	11,269,397
Accumulated depreciation								
At 1 January 2019	-	5,288,834	32,746	4,725	130,674	31,844	-	5,488,823
Depreciation	-	236,572	1,138	844	35,019	3,047	-	276,620
Disposals	-	-	(115)	-	(68,978)	-	-	(69,093)
At 31 December 2019	-	5,525,406	33,769	5,569	96,715	34,891	-	5,696,350
Net carrying amounts								
At 31 December 2019	174,901	5,144,292	2,344	1,211	78,397	15,596	156,306	5,573,047
Cost								
At 1 January 2018	-	11,106,384	34,575	6,838	285,716	50,487	52,660	11,536,660
Additions	-	-	741	765	64,595	-	44,212	110,313
Transfer from investment property	174,901	-	-	-	-	-	-	174,901
Disposals	-	(436,927)	-	(1,038)	(144,818)	-	-	(582,783)
At 31 December 2018	174,901	10,669,457	35,316	6,565	205,493	50,487	96,872	11,239,091
Accumulated depreciation								
At 1 January 2018	-	5,489,148	31,573	4,929	237,986	28,431	-	5,792,067
Depreciation	-	236,613	1,173	820	37,506	3,413	-	279,525
Disposals	-	(436,927)	-	(1,024)	(144,818)	-	-	(582,769)
At 31 December 2018	-	5,288,834	32,746	4,725	130,674	31,844	-	5,488,823
Net carrying amounts								
At 31 December 2018	174,901	5,380,623	2,570	1,840	74,819	18,643	96,872	5,750,268

(A) Production facilities

The land on which the RAF B plant was constructed has been leased to the Company by the State of Qatar free of rent for a period of 50 years commencing on 5 July 1990 under the Emiri Decree No. 24 of 2001.

The land on which the Dukhan desalination plant is situated has been leased to the Company by Qatar Petroleum for a period of 25 years from the acquisition date of the plant, 01 January 2003.

(B) "C" Inspection costs

Costs incurred for the production facilities under an Inspection and Maintenance program have been capitalized under "C" inspection costs. These costs are accounted for as separate assets as they have an estimated useful life of 3-5 years. Costs incurred on "C" inspections in progress are included under capital work in progress. On completion of these inspections, their cost will be capitalized under the "C" inspection costs category.

(C) Depreciation

The annual depreciation charge has been allocated to profit or loss as follows:

	2019	*2018*
	QAR'000	*QAR'000*
Cost of sales (Note 27)	**274,854**	277,825
General and administrative expenses (Note 29)	**1,766**	1,700
	276,620	279,525

7 RIGHT-OF-USE ASSETS AND FINANCE LIABILITIES

RIGHT-OF-USE ASSETS

	2019
	QAR'000
Balance as at 1 January	**24,841**
Depreciation (Note 29)	**(2,257)**
Balance as at 31 December	**22,584**

LEASE LIABILITIES

	2019
	QAR'000
Balance as at 1 January	**24,841**
Accretion of interest	**1,356**
Payments	**(2,231)**
Balance as at 31 December	**23,966**

The lease liabilities are presented in the consolidated statement of financial position as at 31 December as follows:

	2019
	QAR'000
Non-current	**23,008**
Current	**958**
Balance as at 31 December	**23,966**

The following are the amounts recognised in profit or loss:

	2019
	QAR'000
Depreciation of right-of-use assets	**2,257**
Interest on lease liabilities	**1,356**
	3,613

8 INTANGIBLES ASSETS AND GOODWILL

The Group identified and recorded the following intangible assets with definite useful lives.

	2019	*2018*
	QAR'000	*QAR'000*
Intangible assets (1)	**59,702**	65,672
Goodwill (2)	**30,813**	30,813
Total	**90,515**	96,485

(1) Intangible assets

	2019	*2018*
	QAR'000	*QAR'000*
Cost:		
At 31 December	**113,430**	113,430
Amortisation:		
At 1 January	**47,758**	41,788
Amortisation (Note 29)	**5,970**	5,970
At 31 December	**53,728**	47,758
Net carrying amount:		
At 31 December	**59,702**	65,672

This represents the contract rights from the Power and Water Purchase Agreement entered into between Ras Laffan Power Company Q.P.S.C., a subsidiary of the Company, and KAHRAMAA for the supply of electricity and desalinated water by the subsidiary of the Company to KAHRAMAA for a period of 25 years.

(2) Goodwill

The goodwill arose on the step-up acquisition by the Company of 55% additional shareholding in Ras Laffan Power Company Limited Q.P.S.C. on 20 October 2010. No impairment allowance on goodwill was recognized from the date of acquisition as Ras Laffan Power Company Limited Q.P.S.C. contributed QR 1,424 million (2018: QR 1,290 million) to the profit of the Group from the date of acquisition.

9 INVESTMENTS IN JOINT VENTURES

The Group has the following investments in joint ventures:

	Country of incorporation	*Group effective ownership % 2019/2018*	***2019 QAR'000***	*2018 QAR'000*
Nebras Power Q.P.S.C.	Qatar	60%	**2,917,627**	2,742,012
Umm Al Houl Power Q.P.S.C. (Note i, ii)	Qatar	60%	**1,136,778**	1,271,362
Qatar Power Q.J.P.S.C.	Qatar	55%	**431,087**	381,679
Ras Girtas Power Company Q.S.C. (Note iv)	Qatar	45%	**51,462**	231,758
Mesaieed Power Company Limited Q.P.S.C.	Qatar	40%	**8,398**	88,618
Siraj Energy Q.P.S.C.	Qatar	60%	-	2,187
			4,545,352	4,717,616

Notes:

(i) Umm Al Houl Power Q.P.S.C. has commissioned its operations during June 2018. In 2018, the Group has provided capital contribution of QR 919,218 thousand as per the joint venture agreement. This has not affected the Group's shareholding percentage in the Joint venture. In 2019, the Group has provided cash advances to the Company as per shareholder advance agreement amounting to QR 143,687 thousand. These are reported as loan receivable from a joint venture in these consolidated financial statements. The loan carries an interest rate of LIBOR plus 0.46% per annum.

(ii) Share of profit of Umm Al Houl Power Q.P.S.C. has significantly increased for the year ended 31 December 2019 as a result of deferred operating margin of USD 87.8 million (QAR 320 million) recognized as revenue after receiving confirmation from KAHRAMAA that there were no outstanding commercial and financial liabilities between KAHRAMAA and Umm Al Houl Power Q.P.S.C. and obtaining other necessary approvals.

The Operating margin generated in the interim generation period up to facility acceptance date or commercial operation date was not required to fund the project costs and deferred as per Power and Water Purchase Agreement with KAHRAMAA in previous years.

(iii) On 17 January 2019, Qatar published the Income Tax Law No. 24 of 2018 (the "New Tax Law") in the official Gazette. The New Tax Law is effective for financial years starting on or after 13 December 2018. The Executive Regulations to the New Tax Law were issued in December 2019. Article 2 (12) of the Executive Regulations states that for the purposes of Article 4(13) of the Law, the exemption referred to in respect of the share of a non-Qatari investor shall not apply to his shares in the profits of a company owned by a listed company (i.e. whose shares are traded on the stock exchange in the State). This means that effective non- Qatari ownership of Qatar Electricity and Water Company Q.P.S.C. (QEWC) in the Joint ventures and subsidiaries is taxable.

On 2 February 2020, QEWC, Qatar Petroleum (QP), Ministry of Finance (MoF) and the General Tax Authority (GTA) reached an agreement through a Memorandum of Understanding ("hereby referred to as the MOU") which states that the income tax liability pertaining to certain listed companies (including QEWC) share in their Joint Ventures would be borne by the MoF. Accordingly, application of the new Income Tax Law requirements stated above did not have any material impact on Group's financial statements for the year ended 31 December 2019.

(iv) Tax assessments - Ras Girtas Power Company Q.S.C.

On 29 August 2019, the General Tax Authority (GTA) issued an income tax assessment for the years from 2010 to 2018 requiring the Ras Girtas Power Company Q.S.C. (RGPC) to pay additional taxes of USD 85 million (Approximately QR 310 million). This includes penalties amounting to USD 27 million (QR 98.4 million). The Company had a tax holiday for the period between April 2011 and March 2017.

RGPC wrote a detailed response to GTA on 26 September 2019 as per the requirement of the tax law, rejecting the full amount claimed by the GTA which was not responded in due time. RGPC then filed an appeal with the Appeal Committee under the provisions of the law which is pending for hearing. However, in light of the tax assessment received, a provision for tax has been recognised of USD 85 million (QR 310 million).

As per the MOU signed on 2 February 2020, the MoF also undertakes to settle the income tax amounts payable by the RGPC for the previous years. RGPC also has pass through arrangements for income tax as per the terms of the PWPA. Accordingly, RGPC has recorded income tax receivables of USD 85 million (QR 310 million) against the tax assessment received for the same amount from the GTA. Management has applied its judgment in determining that the above arrangements will also cover any tax penalties to be paid, if any, for the prior years.

The movements in the Group's investments in the joint ventures were as follows:

	2019	*2018*
	QAR'000	*QAR'000*
At 1 January	**4,717,616**	3,136,097
Investments made	-	919,218
Share of profit for the year	**806,141**	542,190
Share of other comprehensive (loss) income	**(785,424)**	424,104
Dividend received	**(192,981)**	(303,993)
At 31 December	**4,545,352**	4,717,616

The following table summarizes the financial information of the Group's joint ventures as included in their own financial statements, and reconciles the summarised information to the carrying amount of the Group's interest in the joint ventures.

For the year ended 31 December 2019

	Qatar Power Q.J.P.S.C.	*Mesaieed Power Company Limited Q.P.S.C..*	*Ras Girtas Power Company Q.S.C.*	*Nebras Power. Q.P.S.C.*	*Umm Al Houl Power Q.P.S.C.*	*Siraj Energy Q.P.S.C.*	*Total*
	QAR'000	*QAR'000*	*QAR'000*	*QAR'000*	*QAR'000*	*QAR'000*	*QAR'000*
Summarised statement of financial position							
Non-Current Assets	1,470,724	6,262,970	11,441,484	3,248,081	9,876,503	-	32,299,762
Current assets	626,900	763,269	1,227,476	3,736,519	1,370,666	3,645	7,728,475
Non-Current Liabilities	916,876	6,251,025	11,750,067	1,975,917	8,474,217	-	29,368,102
Current Liabilities	396,954	754,220	804,532	145,971	878,322	14,762	2,994,761
Equity	783,794	20,994	114,361	4,862,712	1,894,630	(11,117)	7,665,374
Group's interest	431,087	8,398	51,462	2,917,627	1,136,778	-	4,545,352
Carrying value of investments	**431,087**	**8,398**	**51,462**	**2,917,627**	**1,136,778**	**-**	**4,545,352**
Summarised statement of comprehensive income							
Revenue	803,766	1,039,886	2,287,871	-	1,930,653	-	6,062,176
Profit for the year	200,961	181,696	250,963	355,835	497,811	(14,766)	1,472,500
Other comprehensive (loss) for the year	(8,105)	(254,673)	(578,728)	(63,146)	(634,636)	-	(1,539,288)
Total comprehensive loss	192,856	(72,977)	(327,765)	292,689	(136,825)	(14,766)	(66,788)
Group's share of profit	110,529	72,678	112,933	213,501	298,687	(2,187)	806,141
Group's share of other comprehensive loss	**(4,458)**	**(101,869)**	**(260,428)**	**(37,888)**	**(380,781)**	**-**	**(785,424)**

For the year ended 31 December 2018

	Qatar Power Q.J.P.S.C.	*Mesaieed Power Company Limited Q.P.S.C..*	*Ras Girtas Power Company Q.S.C.*	*Nebras Power. Q.P.S.C.*	*Umm Al Houl Power Q.P.S.C.*	*Siraj Energy Q.P.S.C.*	*Total*
	QAR'000	*QAR'000*	*QAR'000*	*QAR'000*	*QAR'000*	*QAR'000*	*QAR'000*
Summarised statement of financial position							
Non-Current Assets	1,623,858	6,379,553	11,620,287	2,769,681	9,341,993	-	31,735,372
Current assets	485,751	852,220	1,281,806	3,979,875	2,155,549	3,645	8,758,846
Non-Current Liabilities	1,102,387	6,179,954	11,380,109	1,964,767	8,479,192	-	29,106,409
Current Liabilities	313,261	830,274	1,006,966	214,769	899,414	-	3,264,684
Equity	693,961	221,545	515,018	4,570,020	2,118,936	3,645	8,123,125
Group's interest	381,679	88,618	231,758	2,742,012	1,271,362	2,187	4,717,616
Carrying value of investments	381,679	88,618	231,758	2,742,012	1,271,362	2,187	4,717,616
Summarised statement of comprehensive income							
Revenue	761,940	1,065,418	2,287,871	-	-	-	4,115,229
Profit for the year	77,122	216,149	291,316	350,686	119,682	-	1,054,955
Other comprehensive income for the year	44,225	170,788	513,222	(4,645)	172,170	-	895,760
Total comprehensive income	121,347	386,937	804,538	346,041	291,852	-	1,950,715
Group's share of profit	42,417	86,460	131,092	210,412	71,809	-	542,190
Group's share of other comprehensive income	24,324	68,315	230,950	(2,787)	103,302	-	424,104

10 EQUITY INVESTMENTS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	2019	*2018*
	QAR'000	*QAR'000*
At 1 January	**1,558,553**	701,577
Additions	**550,000**	488,410
Net change in fair value	**(153,341)**	368,566
At 31 December	**1,955,212**	1,558,553

During the year, dividend income of QR 64,063 thousand (2018: QR 38,049 thousand) was received from equity investments at fair value through other comprehensive income financial assets, which is included in "Other income" in the consolidated profit or loss statement (Note 28).

All equity investments at fair value through other comprehensive income financial assets comprise listed equity securities listed on the Qatar Stock Exchange. The fair value of the quoted equity shares is determined by reference to the published price quotations.

11 FINANCE LEASE RECEIVABLES

A reconciliation between the gross lease receivable (minimum remaining lease receipts) and the present value of the minimum lease receivable (finance lease receivable) as at the reporting date is as follows:

	2019	*2018*
	QAR'000	*QAR'000*
Gross finance lease receivable	**1,626,295**	1,868,460
Unearned finance income	**(508,668)**	(619,615)
Present value of minimum lease receivable	**1,117,627**	1,248,845

The discount rate used by the subsidiary was 9.32 % per annum (2018: 9.32% per annum) as agreed in the agreement between Ras Laffan Power Company Q.P.S.C., which is a subsidiary of the Company and KAHRAMAA. The finance lease receivables at the end of the reporting period were neither past due nor impaired.

The finance lease receivable is presented in the consolidated statement of financial position as follows:

	2019	*2018*
	QAR'000	*QAR'000*
Current portion	**144,014**	131,219
Non-current portion	**973,613**	1,117,626
	1,117,627	1,248,845

The non-current portion is further analysed as follows:

	2019	*2018*
	QAR'000	*QAR'000*
Later than one year and not later than five years	**378,807**	352,738
Later than five years	**594,806**	764,888
	973,613	1,117,626

	2019	*2018*
	QAR'000	*QAR'000*
Lease receivable balance as at 1 January	**1,248,845**	1,366,332
Lease interest charged during the year	**122,970**	131,048
Capital and lease interest recovered during the year	**(254,188)**	(248,535)
Lease receivable balance as at 31 December	**1,117,627**	1,248,845

12 OTHER ASSETS

In October 2010 Ras Laffan Operating Company W.L.L. (RLOC), one of the Group's subsidiaries, paid QR 23.815 million to Ras Laffan Services Company, a third party, for the acquisition of the rights, benefits, and obligations under a Technical Service Agreement. During 2011, RLOC received an amount of QR 5.9 million. The remaining amount of QR 17.9 million is amortized over a period of 19 years.

Also, on 21 October 2006, the Company signed a Contractual Service Agreement with the Consortium of General Electric International Inc. and GE Energy Parts Inc. for maintenance of specified equipment (covered units) of RAF B2 Power and Water Plant. An amendment was signed between the parties on 24 April 2013 and by the same agreement the Company received a reduction in the variable hourly charges in return for a payment (milestone adder payment) of USD 3 million. The milestone payment is amortized over the period of the benefit, i.e. until the expiry of Contractual Service Agreement.

The movements in the above accounts were as follows:

	2019	*2018*
	QAR'000	*QAR'000*
At 1 January	**15,864**	17,843
Amortization (Note 29)	**(1,867)**	(1,979)
At 31 December	**13,997**	15,864

13 INVENTORIES

	2019	*2018*
	QAR'000	*QAR'000*
Spare parts	**328,774**	384,584
Less: Provision for slow-moving inventories	**(249,411)**	(245,609)
	79,363	138,975
Chemicals	**777**	1,437
Consumables	**1,359**	1,527
	81,499	141,939

The movements in the provision for slow-moving inventories were as follows:

	2019	*2018*
	QAR'000	*QAR'000*
At 1 January	**245,609**	323,835
Provision made (Note 29)	**14,416**	17,289
Written off	**(10,614)**	(95,515)
At 31 December	**249,411**	245,609

14 TRADE AND OTHER RECEIVABLES

	2019	*2018*
	QAR'000	*QAR'000*
Trade receivables (i)	**417,218**	401,297
Accrued interest receivable	**37,565**	29,287
Prepayments and advances	**23,907**	41,703
Other receivables (ii)	**24,712**	19,565
	503,402	491,852

Notes:

(i) Amount due from related parties are disclosed in Note 36.

(ii) Trade receivables are non-interest bearing and are generally on terms of 30 to 90 days.

15 BANK BALANCES AND CASH

For the purpose of the consolidated statement of cash flows, cash and cash equivalents comprise the following:

	2019	*2018*
	QAR'000	*QAR'000*
Cash at bank – call and current accounts	**149,347**	166,996
Term deposits (i)	**3,289,204**	3,950,641
Cash in hand	**46**	316
Bank balances and cash	**3,438,597**	4,117,953
Less: Term deposits with original maturity over 90 days (ii)	**(2,949,568)**	(2,687,577)
Cash and cash equivalents	**489,029**	1,430,376

Notes:

(i) Term deposits are made for varying terms depending on the immediate cash requirements of the Group and earn interest at market rates.

(ii) Terms deposits made by the Group with original maturity over 90 days and earn interest at market rates.

16 SHARE CAPITAL

	2019	*2018*
	QAR'000	*QAR'000*
Authorized, issued, and fully paid share capital	**1,100,000**	1,100,000

All shares bear equal rights.

Share split

On 6 March 2019, the Extraordinary General Meeting of the Group approved the reduction of the par value of the ordinary share from QR 10 to QR 1, as per the instruction of Qatar Financial Markets Authority. The share split was implemented on 26 June 2019 and the total number of authorised shares were increased from 110,000,000 to 1,100,000,000. The listing of the new shares in Qatar Exchange was effective from 27 June 2019.

17 LEGAL RESERVE

In accordance with the provisions of the Qatar Commercial Companies Law No. 11 of 2015, a minimum amount of 10% of the profit in each year is required to be transferred to a legal reserve until the legal reserve becomes equal to 50% of the Company's paid-up share capital. This reserve is not available for distribution, except in circumstances specified in the above mentioned Law. The Company made no transfers to its legal reserve in the current year and the comparative year as its legal reserve reached 50% of its paid-up share capital.

18 GENERAL RESERVE

In accordance with the Company's Articles of Association, the General Assembly may allocate a portion of the profit to a general reserve. There is no restriction on the distribution of this reserve and the funds in the reserve are available for future development of the Company as decided by the General Assembly.

19 HEDGE RESERVE

The hedge reserve comprises the effective portion of the cumulative net change in the fair value of the interest rate swaps used for cash flow hedging.

	2019	*2018*
	QAR'000	*QAR'000*
At 1 January	**(1,053,585)**	(1,507,588)
Share of other comprehensive (loss) income from joint ventures	**(785,424)**	424,104
Net changes in fair value of interest rate swaps of the parent	**(52,891)**	29,899
At 31 December	**(1,891,900)**	(1,053,585)

20 FAIR VALUE RESERVE

The fair value reserve comprises the cumulative net change in the fair value of equity investments at fair value through other comprehensive income financial assets until the assets are derecognised.

	2019	*2018*
	QAR'000	*QAR'000*
At 1 January	**491,690**	123,124
Net unrealised gain on investment securities designated at FVOCI	**(153,341)**	368,566
At 31 December	**338,349**	491,690

21 NON-CONTROLLING INTEREST

Proportion of equity interest held by non-controlling interests are as follows:

	2019	*2018*
	QAR'000	*QAR'000*
Ras Laffan Power Company Limited Q.P.S.C.		
As at 1 January	**257,674**	250,218
Profit for the year	**26,753**	28,597
Dividend paid during the year	**(48,479)**	(21,141)
As at 31 December	**235,948**	257,674

The summarised financial information below represents amounts before intragroup eliminations.

	2019	*2018*
	QAR'000	*QAR'000*
Non-current assets	**994,145**	1,118,566
Current assets	**256,816**	238,010
Non- current liabilities	**20,072**	-
Current liabilities	**51,147**	68,208
Equity	**1,179,742**	1,288,368
Equity attributable to owners of the Company	**943,794**	1,030,694
Non-controlling interests	**235,948**	257,674
Total Equity	**1,179,742**	1,288,368

	2019	*2018*
	QAR'000	*QAR'000*
Revenue	**509,552**	490,403
Profit for the year	**133,767**	142,986
Profit attributable to owners of the Company	**107,014**	114,389
Profit attributable to non-controlling interests	**26,753**	28,597

22 INTEREST BEARING LOANS AND BORROWINGS

	2019	*2018*
	QAR'000	*QAR'000*
Loan (1)	**1,073,602**	1,135,348
Loan (2)	**1,093,500**	1,093,500
Loan (3)	**974,966**	1,009,008
Loan (4)	**915,623**	915,623
Loan (5)	**822,896**	854,973
Loan (6)	**485,474**	536,756
Loan (7)	**494,431**	513,704
Loan (8)	**323,313**	334,660
Loan (9)	**242,212**	267,797
Loan (10)	**182,250**	182,250
Loan (11)	-	24,422
Total interest bearing loans and borrowings	**6,608,267**	6,868,041
Less: Financing arrangement costs	**(55,122)**	(58,258)
	6,553,145	6,809,783

The interest bearing loans and borrowings are classified in the consolidated statement of financial position as follows:

	2019	*2018*
	QAR'000	*QAR'000*
Current portion	**2,436,525**	2,443,820
Non-current portion	**4,116,620**	4,365,963
	6,553,145	6,809,783

Production facilities for RAF A1, RAF A2, RAF A3 and RAF B2 are pledged to obtain the project finance loans.

(1) The Company has entered into a credit agreement with MUFG Bank Ltd which acts as a facility agent and offshore security trustee for a credit facility amounting to USD 485.5 million (QR 1,769 million) to finance the construction of RAF B2. Interest is charged at a rate of LIBOR plus 0.55% to 1.65% per annum as specified in the credit agreement. The loan is payable in semi-annual installments over the period of 23 years commencing from 1 December 2008.

(2) The Company entered into a corporate revolving credit facility with a consortium of banks with Mizuho Bank Ltd acting as Facility Agent, mainly to partly finance the repayment of an existing USD 300 million (QR 1,094 million) revolving facility. This loan carried interest at LIBOR plus a margin of 0.25%. The loan was repayable on or before the termination date, which was on 8 December 2016. The credit Facility was extended every year thereafter by adding amendment agreements (on 5 December 2016, 6 December 2017 and 29 November 2018). On 29 December 2018, the Company has entered into an amendment agreement with the lenders to extend the term of the loan for one year with an interest of LIBOR plus 0.45%. On 26 November 2019, the Company has entered into an amendment agreement with the lenders to extend the term for one year with the same interest rate.

(3) On 4 July 2016, the Company entered into a credit facility with a consortium of banks to finance its RAF A3 plant facilities. This term loan facility of USD 294 million (QR 1,072 million) carries interest at LIBOR plus 1.75%. The loan is payable in quarterly installments over the period of 270 months commencing from 9 January 2018.

(4) On 2 July 2018, the Group has obtained a loan amounting to USD 251.2 million (QR 915.6 million) for the purpose of working capital requirements. The carried interest rate is LIBOR plus 0.5% and the loan is fully payable on 2 July 2019. On 21 May 2019, the Company has entered into an amendment agreement to extend the term for one year with the same interest rate.

(5) The Company has availed a USD 270 million (QR 984 million) Islamic credit facility with Qatar Islamic Bank in the form of Istisnaa' for the construction of RAF A2 plant facilities. Interest charged at a rate of LIBOR plus 1.75%. The loan is repayable in quarterly installments over the period of 20 years starting from 9 June 2016.
(6) The Company has entered into a facility agreement with a consortium of banks to finance its RAF A1 plant facilities. This term loan facility of USD 288.2 million (QR 1,050 million) carries interest at LIBOR plus a margin ranging from 0.60% to 1.05%. The loan is repayable in semi-annual installments over the period of 17 years starting from 30 June 2010 at a pre-determined repayment percentage multiplied against the principle amount outstanding as at the end of the availability period.
(7) The Company entered into a credit facility agreement with Qatar National Bank to finance the construction of its RAF A2 plant facilities. This term loan facility of USD 180 million (QR 656 million) carries interest at LIBOR plus a margin of 1.75% per annum. The loan is repayable in quarterly installments starting 9 June 2016.
(8) On 4 July 2016, the Company availed a USD 96 million (QR 350 million) Islamic credit facility in the form of Istisnaa' to finance the construction of RAF A3 plant. The loan is payable in quarterly installments over the period of 270 months commencing from 9 January 2018.
(9) The Company has availed a USD 144.1 million (QR 525 million) Islamic credit facility in the form of Istisnaa' for the construction of three multi-stage flash type desalination units forming part of a fully functioning waterdesalination plant at RAF A1. The loan is repayable in semi-annual installments starting 30 June 2010.
(10) On 15 February 2017, the Company entered into a credit facility with DBS Bank Ltd, Dubai. This term loan facility of USD 50 million (QR 182 million) carries interest at LIBOR plus 0.5%. On 15 February 2018, the company has extended the agreement for one year with an interest of LIBOR plus 0.6%. On 21 May 2019, the company further extended the agreement for one year with the same interest rate.
(11) This represents the loan of the acquired subsidiary, Ras Laffan Power Company Limited Q.P.S.C. This facility represents a credit agreement with a consortium of banks obtained on 20 November 2001 for a longterm loan of USD 545 million (QR 1,987 million) and a stand-by facility of USD 27.25 million (QR 99 million). The loan carries interest at commercial rates and is repayable in accordance with a specific repayment schedule starting on November 2004 with the last installments due in May 2019. The term loan is secured by a mortgage on the plant facilities built by Ras Laffan Power Company Q.S.C. on a land leased from Qatar Petroleum.

23 FAIR VALUE OF DERIVATIVES

Fair value of interest rate swaps for hedging are presented in the consolidated statement of financial position as follows:

	2019 QAR'000	*2018 QAR'000*
Assets		
Current portion	**2,060**	8,157
Non-current portion	**6,485**	37,236
	8,545	45,393
Liabilities		
Current portion	**9,635**	4,640
Non-current portion	**27,036**	15,988
	36,671	20,628

24 EMPLOYEES' END OF SERVICE BENEFITS

	2019 QAR'000	*2018 QAR'000*
At 1 January	**68,962**	73,985
Provision made during the year	**25,229**	5,361
Payments made during the year	**(7,461)**	(10,384)
At 31 December	**86,730**	68,962

25 TRADE AND OTHER PAYABLES

	2019 QAR'000	*2018 QAR'000*
Trade payables (i)	**101,558**	83,312
Accrued expenses (i)	**172,038**	129,825
Dividend payable to shareholders	**47,386**	40,824
Provision for social and sports support fund	**31,474**	34,978
Provision for staff costs	**30,260**	24,795
Other payables	**175,764**	258,407
	558,480	572,141

Notes:
(i) Amount due to related parties are disclosed in Note 36.

26 REVENUE FROM WATER AND ELECTRICITY

	2019 QAR'000	*2018 QAR'000*
Revenue from contracts with customers		
Sale of water	**353,916**	377,956
Sale of electricity	**665,642**	703,601
Operations and maintenance		
Water	**53,746**	45,968
Electricity	**20,868**	18,244
Total revenue from contacts with customers	**1,094,172**	1,145,769
Operating lease revenue – capacity charges		
Water	**830,324**	825,514
Electricity	**341,425**	499,160
	2,265,921	2,470,443

Revenue from sale of water and sale of electricity are recognised at point in time.
Revenue from operations and maintenance is recognised over the period of time upon satisfaction of the services to the customer using an output method. The Group applied the practical expedient which allows the Group to recognise the revenue in the amount to which the entity has a right to invoice as this corresponds directly with the value to the customer of the entity's performance completed to date. There is no unsatisfied performance obligation for the year ended 31 December 2019.
Total revenue is generated within the State of Qatar.

27 COST OF SALES

	2019 QAR'000	*2018 QAR'000*
Cost of gas consumed	**872,462**	736,673
Depreciation of property, plant and equipment (Note 6)	**274,854**	277,825
Staff costs	**156,198**	157,146
Spare parts, chemicals and consumables	**91,301**	82,299
Others	**137,886**	144,011
	1,532,701	1,397,954

28 OTHER INCOME

	2019 QAR'000	*2018 QAR'000*
Interest income	**128,212**	112,386
Dividend income from Equity investments at fair value through other comprehensive income (Note 10)	**64,063**	38,049
Miscellaneous income	**5,778**	22,920
Profit on disposal of property, plant and equipment	-	58,994
	198,053	232,349

29 GENERAL AND ADMINISTRATION EXPENSES

	2019 QAR'000	*2018 QAR'000*
Staff costs	**97,718**	103,140
Provision for slow moving inventories (Note 13)	**14,416**	17,289
Board of directors' remuneration (Note 36)	**11,750**	11,750
Insurance	**9,846**	11,390
Amortisation of intangible assets (Note 8)	**5,970**	5,970
Rent expense	**3,600**	3,600
Donations	**2,257**	2,485
Depreciation of right-of-use assets (Note 7)	**2,257**	-
Repairs and maintenance	**2,153**	4,028
Amortisation of non-current assets (Note 12)	**1,867**	1,979
Depreciation of property, plant and equipment (Note 6)	**1,766**	1,700
Telephone postage and couriers	**1,830**	1,075
Advertisement and public relation expenses	**1,096**	979
Professional fees	**2,287**	1,614
Recruitment and training expenses	**961**	4,805
Subscription and licenses	**784**	775
Office expenses	**318**	1,279
Miscellaneous expenses	**14,274**	12,199
	175,150	186,057

30 FINANCE COSTS

	2019 QAR'000	*2018 QAR'000*
Interest on bank loans	**234,137**	217,561
Bank charges	**9,075**	9,274
Interest on lease liabilities (Note 7)	**1,356**	-
	244,568	226,835

31 EARNINGS PER SHARE

Basic earnings per share
The calculation of basic earnings per share is arrived by dividing the profit attributable to the equity holders of the Group for the year by the weighted average number of ordinary shares outstanding during the year.

	2019 QAR'000	*2018 QAR'000*
Profit for the year attributable to equity holders of the Company	**1,413,913**	1,536,587
Weighted average number of shares outstanding during the year (number of shares in thousands)	**1,100,000**	1,100,000
Basic and diluted earnings per share (expressed in QR per share)	**1.29**	1.40

Earnings per share for comparative period have been restated to reflect the increase in weighted average number of shares as a result of share split (Note 16).
Diluted earnings per share
As the parent Company has no potential dilutive shares, the diluted EPS equals to the basic EPS.

32 DIVIDENDS

During the year, the Company declared and paid a cash dividend of QR 0.775 per share totalling to 852.5 million (2018: QR 0.775 per share totalling to 852.5 million).
The proposed final dividend amounting to QR 852.5 million for the year ended 31 December 2019 will be submitted for formal approval at the next Annual General Meeting of the Company and not recognised as a liability as at 31 December 2019.

33 CONTRIBUTION TO SOCIAL AND SPORTS FUND

In compliance with Qatar Law No. 13 of 2008, the Company made an appropriation of QR 26.2 million (2018: QR 28.6 million) to the Social and Sports Fund of Qatar.

34 SEGMENTAL INFORMATION

The Group operates integrated plants for the generation of electricity and desalination of water in the State of Qatar. The water desalination process is completely dependent upon electricity generation. The electricity generation and water desalination processes are interrelated and are subject to similar risks and returns and monitored as a single segment. Consequently, the Group presents both generation of electricity and production of desalinated water as a single operating segment.

35 COMMITMENTS AND CONTINGENT LIABILITIES

	2019 QAR'000	*2018 QAR'000*
(a) Capital commitments	**46,181**	50,449
(b) Contingent liabilities:		
Corporate guarantees issued on behalf of joint ventures	**550,448**	450,299
Letter of credits	**100,160**	99,545
	650,608	549,844
(c) Other commitments:		
Derivative financial instruments:		
Interest rate swaps (notional amount)	**1,251,023**	1,299,107

36 RELATED PARTY DISCLOSURES

Related parties represent associated companies, major shareholders, directors and key management personnel of the Company, and entities controlled, jointly controlled or significantly influenced by such parties. Pricing policies and terms of these transactions are approved by the Group's management.
Transactions with related parties included in the statement of profit and loss are as follows:

	Nature of the relationship	***Nature of the transaction***	***2019 QAR'000***	*2018 QAR'000*
KAHRAMAA	Shareholder	Electricity income	**1,028,642**	1,221,008
		Sale of desalinated water	**1,225,342**	1,237,383
		Lease income from plant	**122,970**	131,048
			2,376,954	2,589,439
Qatar Petroleum	Shareholder	Sale of desalinated water	**11,937**	12,052
Qatar Petroleum	Shareholder	Cost of gas consumed	**872,462**	736,672
Qatar National Bank	Interest income		**18,291**	15,381

Balances with related parties included in the statement of financial position are as follows:

		2019 QAR'000		*2018 QAR'000*	
	Nature of the relationship	***Trade and other receivables***	***Trade payables and accrued expenses***	*Trade and other receivables*	*Trade payables and accrued expenses*
KAHRAMAA (Note 14)	Shareholder	**413,950**	**5,489**	401,207	170
Siraj Energy Q.P.S.C.	Joint venture	**18,886**	-	-	-
Ras Gitras Power Company Q.S.C.	Joint venture	**2,170**	-	2,004	-
Umm Al Houl Power Q.P.S.C.	Joint venture	**2,123**	-	15,436	-
Qatar Petroleum	Shareholder	**2,075**	**126,826**	990	97,742
Qatar Power Q.P.J.S.C.	Joint venture	**1,166**	-	1,134	-
Nebras Power Q.P.S.C.	Joint venture	**845**	-	-	-
Mesaieed Power Company Limited Q.P.S.C.	Joint venture	**468**	-	-	-
		441,683	**132,315**	420,771	97,912

Compensation of key management personnel

The remuneration of the Board of Directors and members of key management during the period is as follows:

	2019 QAR'000	*2018 QAR'000*
Management remuneration	**4,629**	4,504
Directors' fees	**11,750**	11,750
	16,379	16,254

37 FINANCIAL RISK AND CAPITAL MANAGEMENT

Financial risk management

The Group's principal financial liabilities, other than derivatives, comprise loans and borrowings and trade and other payables. The main purpose of these financial liabilities is to finance the Group's operations. The Group's principal financial assets are trade and other receivables, and bank balances that derive directly from its operations. The Group also holds equity investments at fair value through other comprehensive income and enters into derivative transactions for hedging purposes.
The Group's Board of Directors has overall responsibility for the establishment and oversight of the Group's risk management framework.
The Group's risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities. The Group, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.
The Group Audit Committee oversees how management monitors compliance with the Group's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Group. The Group Audit Committee is assisted in its oversight role by Internal Audit. Internal Audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the Audit Committee.
The Group is exposed to market risk, credit risk and liquidity risk and policies for managing each of these risks are summarized below.

Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity price risk will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.
The Group uses derivatives to hedge its interest rate risk. All such transactions are carried out within the guidelines set by the Risk Management Committee. Generally, the Group seeks to apply hedge accounting to manage volatility in profit or loss.

Interest rate risk

The Group's interest rate risk arises from bank deposits and borrowings. Bank deposits are entered into at fixed rates, which expose the Group to fair value interest rate risk, but management believes that this type of risk is not significant. Borrowings are issued at variable rates which expose the Group to cash flow interest rate risk. The Group has minimised the interest rate risk using interest rate swap contracts.
At the reporting date, the interest rate profile of the Group's interest bearing financial instruments was:

	2019 QAR'000	*2018 QAR'000*
Fixed rate instruments:		
Financial assets	**3,289,204**	3,950,641
Floating interest rate instruments:		
Interest bearing loans and borrowings	**(6,553,145)**	(6,809,793)
Effect of interest rate swaps	**1,251,023**	1,299,107
	(5,302,122)	(5,510,686)

Fair value sensitivity analysis for fixed rate instruments

The Group does not account for any fixed rate financial assets or financial liabilities at fair value through profit or loss, and Group does not designate derivatives (interest rate swaps) as hedging instruments under a fair value hedge accounting model. Therefore, a change in interest rates at the reporting date would not affect profit or loss.
The following table demonstrates the sensitivity of the consolidated income statement to reasonably possible changes in interest rates by 25 basis points, with all other variables held constant. The sensitivity of the consolidated income statement is the effect of the assumed changes in interest rates on the net interest income for one year, based on the floating rate financial assets and financial liabilities held at the end of each reporting period, including the effect of hedging instruments.

	Change in basis points	Effect on profit QAR'000	Effect on equity QAR'000
2019			
Floating interest rate instruments			
Interest bearing loans and borrowings	**+25**	**(16,383)**	**(16,383)**
	-25	**16,383**	**16,383**
Interest rate swaps	**+25**	**3,128**	**3,128**
	-25	**(3,128)**	**(3,128)**
2018			
Floating interest rate instruments			
Interest bearing loans and borrowings	+25	(17,024)	(17,024)
	-25	17,024	17,024
Interest rate swaps	+25	3,247	3,247
	-25	(3,247)	(3,247)

Equity price risk

All the Group's equity investments are listed on the Qatar Stock Exchange.
The following table demonstrates the sensitivity of the cumulative changes in fair value to reasonably possible changes in equity prices, with all other variables held constant. The effect of decreases in equity prices is expected to be equal and opposite to the effect of the increases shown.

	Change in equity price	***Effect on equity 2019 QAR'000***	*Effect on equity 2018* QAR'000
Quoted shares	**10%**	**195,521**	155,855

Currency risk

Currency risk is the risk that the value of financial instruments will fluctuate due to changes in foreign exchange rates. The deposits of the Group are in QR and USD. As the QR is pegged to the USD, balances in USD are not considered to represent a significant currency risk. Management believes that the Group's exposure to currency risk is minimal.

Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss.
Credit quality of a customer is assessed based on an extensive credit rating and individual credit limits are defined in accordance with this assessment. Outstanding customer receivables are regularly monitored.
The Group is exposed to credit risk on its bank balances, amounts due from related parties and receivables as shown below:

	2019 QAR'000	*2018 QAR'000*
Bank balances	**3,438,551**	4,117,637
Finance lease receivables	**1,117,627**	1,248,845
Trade receivables	**417,218**	401,297
Loan receivable from a joint venture	**143,687**	-
Accrued interest receivable	**37,565**	29,287
Other receivables	**24,712**	19,565
	5,179,360	5,816,631

The Group seeks to limit its credit risk with respect to banks by dealing with reputable banks. With respect to credit risk arising from the other financial assets of the Group, including bank balances, the Group's exposure to credit risk arises from default of the counterparty, with a maximum exposure equal to the carrying amount of these instruments.
The total exposure to credit risk for trade receivables as at the reporting date is limited to Qatar. Moreover, the Group's receivables consist mainly of amounts due from KAHRAMAA, who is the sole distributor of power in the State of Qatar. As KAHRAMAA is contractually committed to discharge its obligation, management believes that the credit risk with respect to receivables is limited. In addition to that, these receivables are shown after review of their recoverability.
An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. The provision rates are based on days past due for groupings of various customer segments with similar loss patterns. The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions. Generally, trade receivables are written-off if past due for more than one year and are not subject to enforcement activity. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets. The Group does not hold collateral as security.
Set out below is the information about the credit risk exposure on the Group's trade receivables using a provision matrix:

		Days past due			
31 December 2019	**Current QAR'000**	**30-60 days QAR'000**	**61-90 days QAR'000**	**>91 days QAR'000**	**Total QAR'000**
Gross carrying amount	**416,928**	**-**	**-**	**290**	**417,218**
31 December 2018					
Gross carrying amount	395,060	234	4	5,999	401,297

Credit risk from balances with banks and financial institutions is managed by the treasury department in accordance with the Group's policy. Investments of surplus funds are made only with approved counterparties and within credit limits assigned to each counterparty. Counterparty credit limits are reviewed by the Group's Board of Directors on an annual basis, and may be updated throughout the year subject to approval of the Group's Finance Committee. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through a counterparty's potential failure to make payments.

Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.
Ultimate responsibility for liquidity risk management rests with the Board of Directors, which has built an appropriate liquidity risk management framework for the management of the Group's short, medium and longterm funding and liquidity management requirements. The Group manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities. The following are the contractual maturities of financial liabilities:

	Carrying amounts QAR'000	**Less than 1 year QAR'000**	**1 – 2 years QAR'000**	**More than 2 years QAR'000**
31 December 2019				
Trade payables	**101,558**	**101,558**	**-**	**-**
Accrued expenses	**172,038**	**172,038**	**-**	**-**
Other financial liabilities	**284,884**	**284,884**	**-**	**-**
Interest bearing loans and borrowings	**6,553,145**	**2,436,525**	**261,365**	**3,855,255**
Derivative financial instruments	**36,671**	**9,635**	**9,831**	**17,205**
	7,148,296	**3,004,640**	**271,196**	**3,872,460**
31 December 2018				
Trade payables	83,312	83,312	-	-
Accrued expenses	129,825	129,825	-	-
Other financial liabilities	359,004	359,004	-	-
Interest bearing loans and borrowings	6,809,783	2,443,820	243,710	4,122,253
Derivative financial instruments	20,628	4,640	4,913	11,075
	7,402,552	3,020,601	248,623	4,133,328

Capital management

The primary objective of the Group's capital management is to ensure that it maintains a strong capital base and healthy capital ratios in order to support its business and to sustain future development of the business. The Group manages its capital structure and makes adjustments to it, in light of economic conditions. The Board of Directors monitors the return on capital. No changes were made in the objectives, policies or processes during the year ended 31 December 2019.
The Group monitors capital using a gearing ratio, which is calculated as net debt divided by total equity and net debt. The Group's policy is to keep the gearing ratio between 40% and 80%, but the Group managed to keep its gearing at lower levels as shown below. The debt is calculated as total borrowings (including current and noncurrent loans as shown on the consolidated statement of financial position) less cash and cash equivalents.
Total equity is the equity attributable to the equity holders of the Group.

	2019 QAR'000	*2018 QAR'000*
Total borrowings	**6,553,145**	6,809,783
Less: Cash and bank balances	**(3,438,597)**	(4,117,953)
Net debt	**3,114,548**	2,691,830
Total equity to owners of the Company	**9,999,124**	10,455,580
Total equity and net debt	**13,113,672**	13,147,410
Gearing ratio	**24%**	20%

38 FAIR VALUES OF ASSETS AND LIABILITIES

The following table shows fair values of assets and liabilities, including their levels in the fair value hierarchy for financial instruments carried at fair value.
As at 31 December 2019, the Group held the following classes of financial instruments measured at fair value:

At 31 December 2019	***Level 1 QAR'000***	***Level 2 QAR'000***	***Level 3 QAR'000***	***Total QAR'000***
Financial assets measured at fair value:				
Equity investments at fair value through other comprehensive income	**1,955,212**	**-**	**-**	**1,955,212**
Positive fair value of interest rate swaps	**-**	**8,545**	**-**	**8,545**
	1,955,212	**8,545**	**-**	**1,963,757**
Financial liabilities measured at fair value:				
Derivative instruments:				
Negative fair value of interest rate swaps	**-**	**36,671**	**-**	**36,671**
	-	**36,671**	**-**	**36,671**

As at 31 December 2018, the Group held the following classes of financial instruments measured at fair value:

At 31 December 2018				
Financial assets measured at fair value:				
Equity investments at fair value through other comprehensive income assets	1,558,553	-	-	1,558,553
Positive fair value of interest rate swaps	-	45,393	-	45,393
	1,558,553	45,393	-	1,603,946
Financial liabilities measured at fair value:				
Derivative instruments:				
Negative fair value of interest rate swaps	-	20,628	-	20,628
	-	20,628	-	20,628

During the reporting years ended 31 December 2019 and 31 December 2018, there were no transfers between Level 1 and Level 3 fair value measurements.
• Level 1: Quoted market price (unadjusted) in active markets for an identical assets or liabilities • Level 2: inputs other than quoted prices included in Level 1 that are observable for the assets or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices)
• Level 3: inputs for the assets or liability that are not based on observable market data (unobservable inputs)