Dubai Electricity and Water Authority PJSC and its subsidiaries

Consolidated financial statements

for the year ended 31 December 2024

Dubai Electricity and Water Authority PJSC and its subsidiaries

Consolidated financial statements
for the year ended 31 December 2024

DEWA PJSC

Directors' Report

2024 has been an impressive year for DEWA PJSC, having grossed AED 30.98 billion in Revenues and AED 9.32 billion in Operating profit, which is 6.2% and 6.5% higher respectively, compared to the previous year. Sale of Electricity, Water and Cooling services contributed over 92% to group revenue. The demand for these services has grown consistently from year to year, indicating robust growth in Dubai's economy. Peak demand for electricity reached 10,763 MW (3.4% higher than previous year), peak demand for water reached 455 MIGD (4.9% higher than previous year) and the demand for cooling services grew 7.4% year-on-year.

In 2024, DEWA invested AED 11.2 billion to enhance renewable generation capacity, desalination capacity and expand the Transmission & Distribution network. About 18% of our installed generation capacity is clean and aligned with our long-term commitment to Dubai's Net Zero 2050 ambition. We added nearly 59 thousand new Electricity & Water Accounts in 2024, and the customer base at year-end exceeds 1.27 million. With the help of a resilient network, Electricity line loss is reduced to 2%, Water line loss is at 4.5% and Customer Minutes Lost is less than 1 minute per year, all these benchmarks are the lowest world-wide. DEWA is ranked first among global utilities in 12 key operational benchmarks.

All our projects under construction are progressing satisfactorily, including the 1800 MW Solar PV and 180 MIGD reverse osmosis IWPP plants, which are capable of delivering electricity and water respectively at the world's lowest unit costs. All operations in the group were conducted in a safe and environmentally responsible manner during the year. DEWA is a pioneer in utilizing generative AI for optimizing processes, elevating customer experience and securing critical services. DEWA is the first utility in MENA region to be awarded the prestigious 2024 Energy Infrastructure award by S&P Global Platts for its Mohammed bin Rashid Al Maktoum Solar Park.

H.E. Matar Humaid Al Tayer **Chairman**	**H.E. Saeed Mohammed Al Tayer** **Managing Director & CEO**

Dated: 27.02.2025
Dubai

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Independent Auditors' Report

To the Shareholders of Dubai Electricity and Water Authority PJSC

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Dubai Electricity and Water Authority PJSC ("DEWA" or "the Authority" or "the Company") and its subsidiaries ("the Group"), which comprise the consolidated statement of financial position as at 31 December 2024, the consolidated statements of profit or loss and other comprehensive income, changes in equity and cash flows for the year then ended, and notes, comprising material accounting policies and other explanatory information.

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 2024, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IFRS Accounting Standards).

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 Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code) together with the ethical requirements that are relevant to our audit of the consolidated financial statements in the United Arab Emirates, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current year. 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.

Accrual of accrued electricity and water revenue

Refer Notes 3.22, 5.1(a), 17 and 28 to the consolidated financial statements.

The key audit matter	How the matter was addressed in our audit
The Group recognizes revenue on sales of electricity and water in accordance with IFRS 15 "Revenue from Contracts with Customers". The recognition of the Group's electricity and water revenue includes an estimation of the value of electricity and water supplied to customers between the date of the last cyclical meter reading and the year-end date ('accrued revenue'). The value of such electricity and water revenue of AED 1,125 million (2023: AED 1,081 million) is shown as accrued revenue and included within revenue and trade receivables. The method of estimating such revenues is complex and involves judgement including: - Management estimating the volume of units of electricity and water consumed by customers between their last cyclical meter reading and the year-end. Management's estimate for accrued revenue at the year-end is based on historical consumption pattern as per customer categories; and - Management applies the most appropriate tariff rates to the volume estimates given the range of tariffs operated by the Group. Management applies the tariff rate (depending on customer category and tariff slab) to the estimated consumed units of electricity and water to be accrued at year end to arrive at the total estimated value of electricity and water revenue.	**Our procedures involved:** • We obtained an understanding of the accrual of accrued electricity and water revenue process implemented by the Group; • We have performed test of design and implementation of relevant controls; • We recalculated accrued electricity and water revenue, by using actual historical data to set an expectation of accrued electricity and water revenue and compare this with the management's estimate, obtaining explanations for any significant differences; • We obtained and tested management's underlying assumptions and base reference data relating to volume and price used in determining the level of accrued revenue, including: **Volume** We agreed the core volume data used for calculating the estimated accrued volumes with the units generation report, internal consumption report and units billed report extracted from the internal systems. We performed testing of the key information technology automated controls, manual controls and substantive testing on the reports. We have also verified the line losses with the previous years and sought explanations for any variances. **Tariff rates** We tested the assumptions for selection of tariff rate per unit from the tariff rate slab by comparing the tariff rate applied in the estimation model with current data for each customer category.

Key Audit Matters (continued)

Accrual of accrued electricity and water revenue (continued)

Refer Notes 3.22, 5.1(a), 17 and 28 to the consolidated financial statements.

The key audit matter	How the matter was addressed in our audit
We have identified accrual of accrued electricity and water revenue as key audit matter because of the complexities and estimation involved in arriving at the accrued revenue figure as described above and because of the potentially material impact on the consolidated financial statements if errors were made in this calculation or if the assumptions used in estimating consumption patterns had been incorrectly applied.	• We assessed the overall consistency of the calculated accrued revenue compared to the prior year based on our knowledge of the trends and the process; and • We considered the adequacy of the Group's disclosures in the consolidated financial statements relating to this area.

Expected credit loss for trade receivables

Refer Notes 3.7, 4.1 (i)(a), 5.1(b) and 17 to the consolidated financial statements.

The key audit matter	How the matter was addressed in our audit
As at 31 December 2024, the Group recognized net trade receivables from sale of electricity and water of AED 2,723 million (2023: AED 3,022 million), net of expected credit loss allowance ("ECL allowance") of AED 457 million (2023: AED 536 million). In accordance with the requirements of IFRS 9 "Financial Instruments", the Group has applied expected credit loss model to account for the impairment of trade receivable balances. Allowance for expected credit loss is a key audit matter due to the significance of the trade receivable balances to the consolidated financial statements and the inherent complexity of the Group's Expected Credit Loss (ECL) models (ECL models) used to measure ECL allowances. These models are reliant on data and a number of estimates including the impact of multiple economic scenarios. Due to the complexity of the requirements under IFRS 9, the significant judgement and estimation and assessment of historical recovery trends, the audit of ECL for trade receivables is a key area of focus.	**Our procedures involved:** • Obtained an understanding of the process implemented by the Group relating to the determination of allowance for credit loss of trade receivables; • Performed test of design and implementation of relevant controls; • Assessed the completeness and accuracy of the aging report for receivables from sale of electricity and water; • Evaluated the reasonableness of the methodology, assumptions and estimates used by management in preparing the expected credit loss model; and • Evaluated the adequacy of disclosures made by management in the consolidated financial statements.

Other Information

Management is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the consolidated financial statements and our auditors' report thereon. We obtained the Directors' Report prior to the date of our auditors' report, and we expect to obtain the remaining sections of the Annual Report after the date of the auditors' report.

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

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS Accounting Standards and their preparation in compliance with the applicable provisions of the UAE Federal Decree Law No. 32 of 2021 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.

Those Charged with Governance are responsible for overseeing the Group's financial reporting process.

Auditors' 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 auditors' 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.

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

— 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 auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.

— Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

— Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

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

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

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

Report on Other Legal and Regulatory Requirements

Further, as required by the UAE Federal Decree Law No. 32 of 2021 we report that for the year ended 31 December 2024:

i) we have obtained all the information and explanations we considered necessary for the purposes of our audit;

Report on Other Legal and Regulatory Requirements (continued)

ii) the consolidated financial statements have been prepared and comply, in all material respects, with the applicable provisions of the UAE Federal Decree Law No. 32 of 2021;

iii) the Group has maintained proper books of account;

iv) the financial information included in the Directors' report is consistent with the books of account of the Group;

v) as disclosed in note 1 to the consolidated financial statements, the Group has purchased shares during the year ended 31 December 2024;

vi) note 27 to the consolidated financial statements discloses material related party transactions and the terms under which they were conducted;

vii) based on the information that has been made available to us, nothing has come to our attention which causes us to believe that the Group has contravened during the financial year ended 31 December 2024 any of the applicable provisions of the UAE Federal Decree Law No. 32 of 2021 or in respect of the Authority, its Articles of Association, which would materially affect its activities or its consolidated financial position as at 31 December 2024; and

viii) note 30 to the consolidated financial statements discloses the social contributions made during the year ended 31 December 2024.

KPMG Lower Gulf Limited

Emilio Pera
Registration No.: 1146
Dubai, United Arab Emirates

Date: 27 February 2025

Dubai Electricity and Water Authority PJSC and its subsidiaries

Consolidated statement of financial position

	Note	As at 31 December 2024 AED'000	2023 AED'000
Assets			
Non-current assets			
Property, plant and equipment	*7*	**158,251,706**	155,917,149
Intangible assets	*8*	**440,699**	462,367
Investments accounted using the equity method	*9.3*	**640**	640
Derivative financial instruments	*10*	**1,719,527**	980,417
Financial assets at fair value through other comprehensive income	*11*	**55,709**	54,153
Investment properties	*12*	**118,015**	85,645
Deferred tax assets	*13*	**207,401**	103,899
Other assets	*14*	**1,283,505**	1,131,285
Financial assets at fair value through profit or loss	*15.1*	**206,017**	155,663
Other financial assets at amortised cost	*15.2*	**3,179,039**	3,285,620
Trade receivables	*17*	**3,550**	-
Total non-current assets		**165,465,808**	162,176,838
Current assets			
Derivative financial instruments	*10*	**377,785**	584,850
Other assets	*14*	**404,027**	481,875
Financial assets at fair value through profit or loss	*15.1*	**25,466**	10,000
Other financial assets at amortised cost	*15.2*	**4,127,210**	2,688,441
Inventories	*16*	**1,559,690**	1,401,155
Trade receivables	*17*	**3,103,822**	3,420,058
Short-term deposits	*18*	**3,586,277**	4,894,389
Cash and cash equivalents	*19*	**6,105,223**	5,300,171
Total current assets		**19,289,500**	18,780,939
Total assets		**184,755,308**	180,957,777
Equity and liabilities			
Equity			
Share capital	*20*	**500,000**	500,000
Capital contribution	*20*	**39,117,511**	40,042,997
Retained earnings	*20*	**48,084,114**	47,253,178
Statutory reserve	*20*	**591,346**	591,346
Hedging reserve	*20*	**1,056,262**	824,722
Equity attributable to the Owners of the Company		**89,349,233**	89,212,243
Non-controlling interests	*9.2*	**5,638,617**	3,489,111
Total equity		**94,987,850**	92,701,354
Liabilities			
Non-current liabilities			
Derivative financial instruments	*10*	**6,217**	3,732
Deferred tax liabilities	*13*	**113,131**	11,997
Borrowings	*21*	**28,828,863**	27,341,537
Retirement benefit obligations	*22*	**1,109,622**	1,020,240
Lease liabilities	*23*	**25,332**	16,281
Other long-term liabilities	*24*	**33,748,372**	33,391,742
Total non-current liabilities		**63,831,537**	61,785,529
Current liabilities			
Borrowings	*21*	**7,343,913**	11,546,029
Derivative financial instruments	*10*	**176**	-
Lease liabilities	*23*	**18,597**	15,966
Trade and other payables	*25*	**18,205,891**	14,708,968
Total current liabilities		**25,568,577**	26,270,963
Total liabilities		**89,400,114**	88,056,492
Total equity and liabilities		**184,387,964**	180,757,846
Regulatory deferral account credit balance	*26*	**367,344**	199,931
Total equity, liabilities and regulatory deferral account credit balance		**184,755,308**	180,957,777

To the best of our knowledge, these consolidated financial statements fairly represent in all material respects, the consolidated financial position, results of operation and cash flows for the Group as of and for the year ended 31 December 2024.

These consolidated financial statements were approved by the Board of Directors on 27 February 2025 and signed on their behalf by:

Managing Director &
Chief Executive Officer

Chairman

The independent auditors' report is set out on pages 2 to 7.

The notes on pages 14 to 97 form an integral part of these consolidated financial statements.

Dubai Electricity and Water Authority PJSC and its subsidiaries

Consolidated statements of profit or loss and other comprehensive income

	Note	For the year ended 31 December 2024 AED'000	2023 AED'000
Revenue	*28*	**30,977,351**	29,178,009
Cost of sales	*29*	**(19,170,338)**	(17,932,654)
Gross profit		**11,807,013**	11,245,355
Administrative expenses	*30*	**(3,169,242)**	(3,013,466)
Credit impairment reversal/(losses)	*15, 17 & 18*	**93,197**	(125,665)
Other income	*31*	**593,557**	651,110
Operating profit		**9,324,525**	8,757,334
Finance income	*32*	**959,837**	806,278
Finance costs	*32*	**(2,133,855)**	(1,617,165)
Finance costs – net	*32*	**(1,174,018)**	(810,887)
Profit for the year before net movement in regulatory deferral account		**8,150,507**	7,946,447
Net movement in regulatory deferral account	*26*	**(167,413)**	(104,588)
Profit for the year after net movement in regulatory deferral account		**7,983,094**	7,841,859
Income tax (expense)/benefit	*13*	**(748,905)**	91,902
Profit for the year after net movement in regulatory deferral account and tax		**7,234,189**	7,933,761
Other comprehensive income:			
Items that will not be reclassified to profit or loss			
Remeasurements of retirement benefit obligations	*22.1*	**18,047**	86,068
Items that may be reclassified to profit or loss			
Cash flow hedges – reclassified to profit or loss	*10*	**(711,454)**	(584,379)
Cash flow hedges – effective portion of changes in fair value of derivate financial instruments	*10*	**1,238,085**	352,004
Debt instrument at FVOCI – change in fair value	*11*	**913**	1,242
Related tax	*13*	**(102,236)**	-
Other comprehensive income/(loss) for the year		**443,355**	(145,065)
Total comprehensive income for the year		**7,677,544**	7,788,696
Profit for the year attributable to			
- Owners of the Company		**7,012,660**	7,700,823
- Non-controlling interests		**221,529**	232,938
		7,234,189	7,933,761
Total comprehensive income for the year attributable to			
- Owners of the Company		**7,261,205**	7,654,791
- Non-controlling interests		**416,339**	133,905
		7,677,544	7,788,696
Earnings per share			
Basic and diluted earnings per share (AED)	*33*	**0.140**	0.154

The independent auditors' report is set out on pages 2 to 7.

The notes on pages 14 to 97 form an integral part of these consolidated financial statements.

Dubai Electricity and Water Authority PJSC and its subsidiaries

Consolidated statement of changes in equity

	Attributable to the Owners							
	Share capital AED'000	**Capital contribution AED'000**	**Statutory reserve AED'000**	**Hedging reserve AED'000**	**Retained earnings AED'000**	**Total AED'000**	**Non-controlling interests AED'000**	**Total equity AED'000**
At 1 January 2023	500,000	40,042,885	591,346	954,247	47,338,862	89,427,340	2,953,130	92,380,470
Total comprehensive income for the year								
Profit for the year	-	-	-	-	7,700,823	7,700,823	232,938	7,933,761
Other comprehensive loss	-	-	-	(129,525)	83,493	(46,032)	(99,033)	(145,065)
Total comprehensive income for the year	-	-	-	(129,525)	7,784,316	7,654,791	133,905	7,788,696
Transactions with the Owners								
Capital contribution by non-controlling interests	-	-	-	-	-	-	780,306	780,306
Capital contribution – value of lands (net)	-	112	-	-	-	112	-	112
Dividend paid (refer note 38)	-	-	-	-	(7,870,000)	(7,870,000)	(378,230)	(8,248,230)
At 31 December 2023	500,000	40,042,997	591,346	824,722	47,253,178	89,212,243	3,489,111	92,701,354

The notes on pages 14 to 97 form an integral part of these consolidated financial statements.

Consolidated statement of changes in equity *(continued)*

	Attributable to the Owners							
	Share capital AED'000	Capital contribution AED'000	Statutory reserve AED'000	Hedging reserve AED'000	Retained earnings AED'000	Total AED'000	Non-controlling interests AED'000	Total equity AED'000
At 1 January 2024	**500,000**	**40,042,997**	**591,346**	**824,722**	**47,253,178**	**89,212,243**	**3,489,111**	**92,701,354**
Total comprehensive income for the year								
Profit for the year	-	-	-	-	7,012,660	7,012,660	221,529	7,234,189
Other comprehensive income	-	-	-	231,540	17,005	248,545	194,810	443,355
Total comprehensive income for the year	-	-	-	231,540	7,029,665	7,261,205	416,339	7,677,544
Transactions with the Owners								
Capital contribution by non-controlling interests	-	-	-	-	-	-	2,119,934	2,119,934
Settlement on liquidation of subsidiary	-	-	-	-	(51)	(51)	(50)	(101)
Acquisition of minority interest	-	-	-	-	1,322	1,322	(1,481)	(159)
Capital contribution – value of lands (net) (refer note 7)	-	(925,486)	-	-	-	(925,486)	-	(925,486)
Dividend paid (refer note 38)	-	-	-	-	(6,200,000)	(6,200,000)	(385,236)	(6,585,236)
At 31 December 2024	**500,000**	**39,117,511**	**591,346**	**1,056,262**	**48,084,114**	**89,349,233**	**5,638,617**	**94,987,850**

The notes on pages 14 to 97 form an integral part of these consolidated financial statements.

Dubai Electricity and Water Authority PJSC and its subsidiaries

Consolidated statement of cash flows

	Note	**2024 AED'000**	2023 AED'000
Cash flows from operating activities			
Profit for the year after tax		**7,234,189**	7,933,761
Adjustments for:			
Depreciation	*7*	**6,483,149**	6,043,114
Amortisation – intangible assets	*8*	**84,783**	83,864
Write-off of property, plant and equipment		**-**	114,972
Gain on modification of lease		**(89)**	(23)
Provision for obsolete inventories	*16*	**10,709**	8,403
Impairment of property, plant and equipment	*7*	**919**	-
Fair value adjustments		**(29,125)**	116,119
Liabilities written back	*31*	**(23,072)**	(297,290)
Credit impairment (reversal)/losses	*15, 17 & 18*	**(93,197)**	125,665
Deferred income	*28.1*	**(1,164,098)**	(1,091,252)
Retirement benefit obligations – gratuity	*22*	**149,487**	148,384
Retirement benefit obligations – pensions	*22*	**130,961**	123,226
Ineffective portion of gain on derivative financial instrument	*32*	**(2,751)**	(5,307)
Profit on sale of property, plant and equipment		**(4,683)**	(401)
Insurance claim income		**(353,313)**	-
Finance costs	*32*	**2,133,855**	1,617,044
Finance income	*32*	**(957,086)**	(800,850)
Income tax expense/(benefit)	*13*	**748,905**	(91,902)
Operating cash flows before changes in operating assets and liabilities		**14,349,543**	14,027,527
Changes in operating assets and liabilities:			
Inventories	*16*	**(169,244)**	35,658
Other assets		**(74,372)**	(430,635)
Trade receivables		**410,622**	786,299
Other financial assets at amortised cost		**(476,931)**	(230,860)
Trade and other payables		**3,405,418**	2,402,493
Regulatory deferral account credit balance	*26*	**167,413**	104,588
Net operating cash flows		**17,612,449**	16,695,070
Payment for retirement benefit obligations – gratuity	*22*	**(38,377)**	(45,309)
Payment for retirement benefit obligations – pensions	*22*	**(138,663)**	(132,115)
Net cash generated from operating activities		**17,435,409**	16,517,646

Dubai Electricity and Water Authority PJSC and its subsidiaries

Consolidated statement of cash flows *(continued)*

	Note	For the year ended 31 December 2024 AED'000	2023 AED'000
Net cash generated from operating activities		**17,435,409**	16,517,646
Investing activities			
Purchase of property, plant and equipment net of movements in capital payables and other long-term liabilities		**(9,267,317)**	(6,804,683)
Deposits with original maturity of greater than three months – placed	*18*	**(10,098,798)**	(517,426)
Deposits with original maturity of greater than three months – matured	*18*	**11,406,036**	3,149,054
Investment in debt instruments – placed		**(856,895)**	(861,571)
Investment in debt instruments – matured		**1,060,761**	378,390
Investment in equity instruments – placed		**(39,230)**	(47,225)
Investment in equity instruments – matured		**5,615**	-
Purchase of intangible assets	*8*	**(7,213)**	(21,437)
Additions to investment properties		**-**	(12,786)
Interest received		**1,014,861**	732,824
Acquisition of subsidiaries		**(159)**	(892,500)
UAE National Bonds and Sukuk Bonds – placed	*15.2*	**(1,526,236)**	(837,710)
UAE National Bonds and Sukuk Bonds – matured	*15.2*	**1,207,955**	938,692
Proceeds from disposal of property, plant and equipment		**167,464**	20,600
Net cash used in investing activities		**(6,933,156)**	(4,775,778)
Financing activities			
Repayments of borrowings		**(8,858,382)**	(4,298,320)
Proceeds from borrowings		**7,502,808**	2,367,440
Interest paid on borrowings		**(2,577,233)**	(2,377,823)
Interest paid on lease liabilities	*23*	**(232)**	(104)
Repayment of lease liabilities	*23*	**(17,958)**	(29,116)
Capital repayment to non-controlling interests on liquidation of subsidiary		**(50)**	-
Capital contribution by non-controlling interests		**749,342**	780,306
Dividends paid to the Owners	*38*	**(6,200,000)**	(7,870,000)
Dividends paid to non-controlling interests	*38*	**(385,236)**	(378,230)
Net cash used in financing activities		**(9,786,941)**	(11,805,847)
Net increase/(decrease) in cash and cash equivalents		**715,312**	(63,979)
Cash and cash equivalents at the beginning of the year		**4,658,317**	4,722,296
Cash and cash equivalents at the end of the year	*19*	**5,373,629**	4,658,317

The independent auditors' report is set out on pages 2 to 7.

The notes on pages 14 to 97 form an integral part of these consolidated financial statements.

1 Establishment and operations

Dubai Electricity and Water Authority ("DEWA" or "the Authority" or "the Company") was incorporated on 1 January 1992 in the Emirate of Dubai by a decree ("the Original Decree") issued by H.H. The Ruler of Dubai, effective 1 January 1992, as an independent public authority having the status of a body corporate, and financially and administratively independent from the Government. In accordance with the Original Decree, all rights, property and assets of Dubai Electricity Company ("DEC") and Dubai Water Department ("the Department") belonging to the Government, were vested in the Authority, and the Authority was held responsible for all liabilities and debts of DEC and the Department, of any kind whatsoever. Together, DEC and the Department formed DEWA from the effective date of the Original Decree.

The principal activities of the Authority, in accordance with the Original Decree and Decree No. 13 of 1999 which amended some of the provisions of the Original Decree, comprise water desalination and distribution and the generation, transmission and distribution of electricity, throughout the Emirate of Dubai. The registered address of the Authority is P.O. Box 564, Dubai, United Arab Emirates ("UAE").

In prior years, the Authority was wholly owned by DoF, the Government of Dubai which announced its plan to list the shares of the Authority on the Dubai Financial Market (DFM). In the year 2022, Department of Finance (DoF), the Government of Dubai had sold 18% of its shareholding in the Authority through an Initial Public Offering ("IPO"). The Authority got listed on the Dubai Financial Market (DFM) and its shares started trading with effect from 12 April 2022.

In the previous year, the Government of Dubai passed Law No. (25) of 2023 establishing Dubai Investment Fund (DIF). DoF, the Government of Dubai, transferred its shareholding in Dubai Electricity and Water Authority PJSC to DIF. The ultimate controlling party of the Group is the Government of Dubai. The ownership structure of the Authority is as follows:

	Ownership %
Dubai Investment Fund (DIF)	**82%**
Local and international investors (including institutional and retail investors)	**18%**
	100%

DEWA and its subsidiaries are collectively referred to as "the Group". The Group either directly or indirectly controls following significant subsidiaries, which are domiciled in UAE:

	Percentage of beneficial ownership		
Name of the entity	**31 December 2024**	31 December 2023	**Principal business activities**
Al Etihad Energy Services Company LLC	**100**	100	Implement energy efficiency measures in buildings
Etihad Clean Energy Development Company LLC	**100**	100	Buildings energy efficiency services, solar energy systems rental and solar energy systems installation
Jumeirah Energy International Holdings LLC (JEIHL)	**100**	100	Holding Company
Jumeirah Energy International LLC (JEI)	**100**	100	Holding Company

1 Establishment and operations *(continued)*

Name of the entity	Percentage of beneficial ownership 31 December 2024	31 December 2023	Principal business activities
Mai Dubai LLC	**100**	100	Purification and sale of potable water
Hassyan Energy 1 Holdings LLC	**100**	100	Holding Company
Shuaa Energy 2 Holdings LLC	**100**	100	Holding Company
Shuaa Energy 3 Holdings LLC	**100**	100	Holding Company
Jumeirah Energy International Capital Holding LLC	**100**	100	Holding Company
Jumeirah Energy International Silicon Valley LLC (iii)	**-**	100	Holding Company
Noor Energy 1 Holdings LLC	**100**	100	Holding Company
Data Hub Integrated Solutions LLC (MORO)	**100**	100	Established to provide services including IT, and infrastructure, networking and computer system housing services
Digital DEWA LLC	**100**	100	Investment in commercial, industrial, retail trade and energy enterprises and management
Infra X	**100**	100	To provide services including IT and computer housing services
DXB CoolCo. FZCO (v)	**48**	**48**	Establishing and operating district cooling projects and providing air-conditioning, ventilator and refrigeration services.
Utilities Management Company LLC	**78**	78	Holding Company
Emirates Central Cooling Systems Corporation PJSC (EMPOWER)	**56**	56	Provision of district cooling services, management, maintenance of central cooling plants and related distribution networks
EMPOWER FM LLC	**56**	56	Air conditioning, ventilation and air filtration system, installation and maintenance
EMPOWER Engineering & Consultancy LLC	**56**	56	Project development consultant services
Palm Utilities LLC (ii)	**56**	56	Establish and operate district cooling projects and provide air conditioning, ventilator and refrigeration services
Palm District Cooling LLC (PDC) (ii)	**56**	56	Establish and operate district cooling projects and provide air conditioning, ventilator and refrigeration services.
Empower Insulated Pipe Systems L.L.C. (formerly Empower Logstor LLC) (i)	**56**	54.3	Manufacturing of pre-insulated pipes, mainly for district cooling

1 Establishment and operations *(continued)*

Name of the entity	Percentage of beneficial ownership **31 December 2024**	 31 December 2023	Principal business activities
Shuaa Energy 2 P.S.C	**60**	60	Establish and provide full range of services for generation of electricity
Innogy International Middle East LLC (iii)	**-**	51	Energy projects consultancy, desalination and sewage treatment plants operations and maintenance
Shuaa Energy 1 P.S.C	**51**	51	Establish and provide full range of services for generation of electricity
Hassyan Energy Phase 1 P.S.C	**51**	51	Establish and provide full range of services for generation of electricity
Noor Energy 1 P.S.C	**51**	51	Establish and provide full range of services for generation of electricity
Hassyan Water Company 1 Private Joint Stock (PSC)	**60**	60	Water desalination including collecting of water, sterilizing and transporting it in lines and linking it to a water distribution network and operating and maintaining water production projects
Digital X LLC	**100**	100	Establish and provide full range of services for information technology, data entry, network consultancies
Smart Energy X LLC	**100**	100	Establish and provide full range of services for parking management electronic systems installation and maintenance
Shuaa Energy 3 P.S.C	**60**	60	Establish and provide full range of services for generation of electricity
Forward Investments Limited	**100**	100	Holding Company
Dubai Carbon Centre of Excellence	**100**	100	Energy projects engineering consultancy and carbon control systems trading
SecureX	**100**	100	Computer systems housing services, communication equipment, software design, data classification & analysis services, IT infrastructure, data centre co-location services and information technology network services

1 Establishment and operations *(continued)*

Name of the entity	Percentage of beneficial ownership 31 December 2024	31 December 2023	Principal business activities
Space D	**100**	100	Managing & operating satellites & provision satellite services, wired & wireless communication systems installation and space situational tracking, monitoring & awareness services
EMPOWER Snow LLC	**56**	56	Establish and operate district cooling projects and provide air-conditioning, ventilation and refrigeration services
Hassyan Water Company 1 Holding LLC	**100**	100	Holding Company
Hassyan Water Company A Holdings LLC (iv)	**100**	100	Holding Company
Shuaa Energy 4 Holding LLC (iv)	**100**	100	Holding Company
Shuaa Energy 4 P.S.C (iv)	**60**	60	Establish and provide full range of services for generation of electricity
Hassyan Water Company A P.S.C (iv)	**60**	60	Establish and provide full range of services for production of desalinated water
Dubai Green Fund Holdings LLC	**100**	100	Holding Company
Dubai Green Fund Investments LLC	**100**	100	To invest and manage commercial, industrial, retail trade and energy enterprises
Forward Ventures SPV Holding Limited	**100**	100	Holding Company
Forward Ventures 1 Holding Limited	**100**	100	Holding Company
Forward Ventures 2 Holding Limited	**100**	100	Holding Company

(i) During the current year, in January 2024, EMPOWER acquired 3% minority shareholding in Empower Logstor LLC from Logstor Holding for AED 0.2 million. In July 2024, Empower Logstor LLC legal name was changed to Empower Insulated Pipe Systems L.L.C.

(ii) During the current year, in July 2024, EMPOWER acquired additional shareholding in Palm Utilities LLC, from Utilities Management Company LLC. As a result of this transaction, the ownership of EMPOWER in Palm Utilities LLC and Palm District Cooling LLC increased to 100%. During 2013, EMPOWER acquired 99.5% interest in Palm Utilities LLC (“PU”) and 99.9% interest in its subsidiary Palm District Cooling LLC (“PDC”).

(iii) During the current year, Jumeirah Energy International Silicon Valley LLC and Innogy International Middle East LLC were liquidated.

(iv) In the previous year, the Group established two new holding companies each with 100% ownership of the Authority. The objective was to establish the project companies through these holding companies towards expansion of generation of electricity and desalination of water. The project companies were also incorporated during the previous year with 60% ownership.

1 Establishment and operations *(continued)*

(v) During the year ended 31 December 2023, EMPOWER entered into an agreement with DACC to acquire 85% of DXB CoolCo. FZCO. The purpose of DXB CoolCo. FZCO is to provide district cooling services to Dubai Airports Corporation ("DAC"), fully managed by EMPOWER. Although certain foundation documents with respect to DXB CoolCo. FZCO provide the second shareholder (DACC) with certain decision-making rights, which are deemed to be protective rights given the strategic nature of the transaction and its importance to the Government of Dubai, the management assessed that based on provisions in the foundation documents, the Group has adequate rights to make strategic, operational and financial decisions unilaterally. On that basis, the management concluded that the Group has control over DXB CoolCo. FZCO.

2 Basis of preparation

The principal accounting policies applied by the Group in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

2.1 Statement of compliance

These consolidated financial statements of the Group have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board ("IFRS Accounting Standards") and interpretations issued by the IFRS Interpretations Committee (IFRS IC) applicable to companies reporting under IFRS and applicable provisions of UAE Federal Decree Law No. (32) of 2021. These consolidated financial statements comply with IFRS Accounting Standards and applicable provisions of UAE Federal Decree Law No. (32) of 2021.

These consolidated financial statements are presented in UAE Dirhams (AED), which is the Authority's functional currency and have been rounded to nearest thousands. Subsidiaries and joint ventures determine their own functional currency and items included in the financial statements of these companies are measured using that functional currency.

2.2 Basis of measurement

The consolidated financial statements have been prepared on a historical cost basis except for financial assets and financial liabilities measured at fair value, wherever applicable.

2.3 Use of estimates and judgements

The preparation of consolidated financial statements in conformity with IFRS Accounting Standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the Group's consolidated financial statements are disclosed in note 5.

3 Material accounting policies

3.1 New standards, amendments and interpretations issued but not yet effective

A number of new standards are effective for annual periods beginning after 1 January 2025 and earlier application is permitted, however, the Group has not early adopted the new or amended standards in preparing the consolidated financial statements.

The following amended standards and interpretations are not expected to have a material impact on the Group's consolidated financial statements:

	Effective date
Lack of Exchangeability – Amendments to IAS 21	1 January 2025
Classification and measurement of financial instruments – Amendments to IFRS 9 and IFRS 7	1 January 2026
Annual improvements to IFRS Accounting Standards – Volume 11	1 January 2026
IFRS 18 Presentation and Disclosures in Financial Statements	1 January 2027
IFRS 19 Subsidiaries without Public Accountability: Disclosures	1 January 2027
Sale or Contribution of Assets between an Investor and its Associates or Joint Venture – Amendments to IFRS 10 and IAS 28	Effective date deferred indefinitely

3.2 Other new or amended standards

The following new or amended standards that are required to be adopted in annual periods beginning on 1 January 2024 and do not have a material impact on the Group's consolidated financial statements:

	Effective date
Non-current liabilities with covenants – Amendments to IAS 1 and Classification of liabilities as Current or Non-current (Amendments to IAS 1)	1 January 2024
Lease liability in a Sale and Leaseback – Amendments to IFRS 16	1 January 2024
Supplier finance arrangements – Amendments to IAS 7 and IFRS 7	1 January 2024

3.3 Basis of consolidation

(a) Business combinations

The Group accounts for business combinations using the acquisition method when the acquired set of activities and assets meets the definition of a business and control is transferred to the Group. In determining whether a particular set of activities and assets is a business, the Group assesses whether the set of assets and activities acquired includes, at a minimum, an input and substantive process and whether the acquired set has the ability to produce outputs.

The Group has an option to apply a 'concentration test' that permits a simplified assessment of whether an acquired set of activities and assets is not a business. The optional concentration test is met if substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or group of similar identifiable assets.

The consideration transferred in the acquisition is generally measured at fair value, as are the identifiable net assets acquired. Any goodwill that arises is tested annually for impairment. Any gain on a bargain purchase is recognised in profit or loss immediately. Transaction costs are expensed as incurred, except if related to the issue of debt or equity securities.

The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts are generally recognised in profit or loss.

3 Material accounting policies *(continued)*

3.3 Basis of consolidation *(continued)*

(a) Business combinations (continued)

Any contingent consideration is measured at fair value at the date of acquisition. If an obligation to pay contingent consideration that meets the definition of a financial instrument is classified as equity, then it is not remeasured, and settlement is accounted for within equity. Otherwise, other contingent consideration is remeasured at fair value at each reporting date and subsequent changes in the fair value of the contingent consideration are recognised in profit or loss.

If share-based payment awards (replacement awards) are required to be exchanged for awards held by the acquiree's employees (acquiree's awards), then all or a portion of the amount of the acquirer's replacement awards is included in measuring the consideration transferred in the business combination. This determination is based on the market-based measure of the replacement awards compared with the market-based measure of the acquiree's awards and the extent to which the replacement awards relate to pre-combination service.

(b) Subsidiaries

Subsidiaries are entities controlled by the Group. The Group 'controls' an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

(c) Non-controlling interests (NCI)

NCI are measured initially at their proportionate share of the acquiree's identifiable net assets at the date of acquisition.

Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

(d) Loss of control

When the Group loses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary, and any related NCI and other components of equity. Any resulting gain or loss is recognised in profit or loss. Any interest retained in the former subsidiary is measured at fair value when control is lost.

(e) Interests in equity-accounted investees

The Group's interests in equity-accounted investees comprise interests in associates and a joint venture.

Associates are those entities in which the Group has significant influence, but not control or joint control, over the financial and operating policies. A joint venture is an arrangement in which the Group has joint control, whereby the Group has rights to the net assets of the arrangement, rather than rights to its assets and obligations for its liabilities.

3 Material accounting policies *(continued)*

3.3 Basis of consolidation *(continued)*

(e) Interests in equity-accounted investees (continued)

Interests in associates and the joint venture are accounted for using the equity method. They are initially recognised at cost, which includes transaction costs. Subsequent to initial recognition, the consolidated financial statements include the Group's share of the profit or loss and OCI of equity accounted investees, until the date on which significant influence or joint control ceases.

(f) Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income and expenses (except for foreign currency transaction gains or losses) arising from intra-group transactions, are eliminated. Unrealised gains arising from transactions with equity-accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

3.4 Property, plant and equipment

Property, plant and equipment, other than land and capital work in progress, are stated at historical cost less accumulated depreciation and any provisions for impairment. The initial cost of an asset comprises its purchase price or construction cost and any costs directly attributable to bringing the asset into operation. The purchase price or construction cost is the aggregate amount paid and the fair value of any other consideration given to acquire the asset.

When parts of property, plant and equipment are significant in cost in comparison to the total cost of the item, and where such parts/components have a useful life different than other parts and are required to be replaced at different intervals, the Group recognises such parts as individual assets with specific useful lives and depreciates them accordingly. Likewise, when a major overhaul is performed, the directly attributable cost of the overhaul is recognised in the carrying amount of the plant and equipment if the recognition criteria are satisfied. This is recorded as a separate component with a useful life generally equal to the time period up to the next scheduled major overhaul.

Subsequent expenditure incurred to replace a component of an item of property, plant and equipment or to improve its operational performance, that is accounted for separately, is included in the asset's carrying amount or recognised as a separate asset as appropriate when it is probable that future economic benefits in excess of the originally assessed standard of performance of the existing asset will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced asset is subsequently derecognised.

Expenditure on major inspection and overhauls of production plant is capitalised when it meets the asset recognition criteria and is depreciated over the period until the next major overhaul. All other repair and maintenance costs are charged to profit or loss during the year in which they are incurred.

Generation and desalination plants, supply lines and substation equipment are capitalised from the date these are available for use, after satisfactory completion of trial and reliability runs.

Capital work in progress is stated at cost, less any impairment. When commissioned, capital work in progress is transferred to the appropriate property, plant and equipment category and depreciated in accordance with the Group's policies.

3 Material accounting policies *(continued)*

3.4 Property, plant and equipment *(continued)*

Land received for free is initially measured at a fair value. The valuation is based on valuation received from Land Department of the Government of Dubai, which is considered the deemed cost and is not depreciated.

Depreciation on other assets is calculated using the straight-line method at rates calculated to reduce the cost of assets to their estimated residual values over their estimated useful lives or in case of leased assets, the shorter term.

The estimated useful lives of property, plant and equipment for current and comparative periods are as follows:

	Years (2024 and 2023)
Buildings	10 to 30
Generation, desalination and district cooling plants	10 to 38
Transmission and distribution networks	10 to 30
Other equipment and assets	2 to 20

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

The carrying amount of property, plant and equipment is reviewed for impairment when events or changes in circumstances indicate the carrying amount may not be recoverable. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Any gain and loss on disposal of an item of property, plant and equipment is recognised in profit of loss and determined as the difference between the proceeds received and the asset's carrying amount.

Capital spares acquired together with the plant or purchased subsequently that are (i) only expected to be used during emergency breakdown situations and (ii) critical to the plant operation and must be available at stand-by at all times; are capitalised within property, plant and equipment and depreciated from purchase date over the remaining useful life of the plant in which it is to be utilised. These do not form part of inventory provided the capitalisation criteria for property, plant and equipment is met.

3.5 Intangible assets

(a) Recognition and measurement

Intangible assets mainly include expenditure incurred on computer software by the Group. These are measured at cost upon initial recognition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses.

The costs of acquired computer software are capitalised on the basis of the costs incurred to acquire and bring into use the specific software. Costs directly associated with the development of computer software programmes that are expected to generate economic benefits over a period in excess of one year are also capitalised and amortised over their estimated useful lives. Costs associated with maintaining computer software programmes are recognised as an expense as incurred.

3 Material accounting policies *(continued)*

3.5 Intangible assets *(continued)*

(b) Subsequent expenditure

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

(c) Amortisation

Amortisation is calculated to write off the cost of intangible assets less their estimated residual values using the straight-line method over their estimated useful lives and is generally recognised in profit or loss. The estimated useful lives for current and comparative periods are 3 to 5 years.

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

Gains or losses arising from derecognising an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in profit or loss when the asset is derecognised.

3.6 Financial instruments

(i) Recognition and initial measurement

Trade receivables and debt securities issued are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Group becomes a party to the contractual provisions of the instrument. A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus or minus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

(ii) Classification and subsequent measurement

Financial assets

On initial recognition, a financial asset is classified as measured at: amortised cost; FVOCI – debt investment; FVOCI – equity investment; or FVTPL.

Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

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

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

3 Material accounting policies *(continued)*

3.6 Financial instruments *(continued)*

(ii) Classification and subsequent measurement (continued)

Financial assets (continued)

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

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

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

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

Financial assets – Business model assessment

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

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

3 Material accounting policies *(continued)*

3.6 Financial instruments *(continued)*

(ii) Classification and subsequent measurement (continued)

Financial assets (continued)

Financial assets – Business model assessment (continued)

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

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

Financial assets – Assessment whether contractual cash flows are solely payments of principal and interest

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Group considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Group considers:

- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable-rate features;
- prepayment and extension features; and
- terms that limit the Group's claim to cash flows from specified assets (e.g. non-recourse features).

A prepayment feature is consistent with the solely payments of principal and interest criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable compensation for early termination of the contract.

Additionally, for a financial asset acquired at a discount or premium to its contractual par amount, a feature that permits or requires prepayment at an amount that substantially represents the contractual par amount plus accrued (but unpaid) contractual interest (which may also include reasonable compensation for early termination) is treated as consistent with this criterion if the fair value of the prepayment feature is insignificant at initial recognition.

3 Material accounting policies *(continued)*

3.6 Financial instruments *(continued)*

(ii) Classification and subsequent measurement (continued)

Financial assets – Subsequent measurement and gains and losses

Financial assets at FVTPL	These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.
Financial assets at amortised cost	These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.
Debt investments at FVOCI	These assets are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognised in profit or loss. Other net gains and losses are recognised in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss.
Equity investments at FVOCI	These assets are subsequently measured at fair value. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are never reclassified to profit or loss.

Financial liabilities – Classification, subsequent measurement and gains and losses

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

(iii) Derecognition

Financial assets

The Group derecognises a financial asset when:

- the contractual rights to the cash flows from the financial asset expire; or
- it transfers the rights to receive the contractual cash flows in a transaction in which either:
- substantially all of the risks and rewards of ownership of the financial asset are transferred; or
- the Group neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

The Group enters into transactions whereby it transfers assets recognised in its consolidated statement of financial position but retains either all or substantially all of the risks and rewards of the transferred assets. In these cases, the transferred assets are not derecognised.

3 Material accounting policies *(continued)*

3.6 Financial instruments *(continued)*

(iii) Derecognition (continued)

Financial liabilities

The Group derecognises a financial liability when its contractual obligations are discharged or cancelled or expire. The Group also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in profit or loss.

(iv) Offsetting

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

(v) Derivative financial instruments and hedge accounting

The Group holds derivative financial instruments to hedge its foreign currency and interest rate risk exposures. Embedded derivatives are separated from the host contract and accounted for separately if the host contract is not a financial asset and certain criteria are met. Derivatives are initially measured at fair value. Subsequent to initial recognition, derivatives are measured at fair value, and changes therein are generally recognised in profit or loss.

The Group designates certain derivatives as hedging instruments to hedge the variability in cash flows associated with highly probable forecast transactions arising from changes in foreign exchange rates and interest rates and certain derivatives and non-derivative financial liabilities as hedges of foreign exchange risk on a net investment in a foreign operation.

At inception of designated hedging relationships, the Group documents the risk management objective and strategy for undertaking the hedge. The Group also documents the economic relationship between the hedged item and the hedging instrument, including whether the changes in cash flows of the hedged item and hedging instrument are expected to offset each other.

Hedges directly affected by interest rate benchmark reform

When the basis for determining the contractual cash flows of the hedged item or hedging instrument changes as a result of IBOR reform and therefore there is no longer uncertainty arising about the cash flows of the hedged item or the hedging instrument, the Group amends the hedge documentation of that hedging relationship to reflect the change(s) required by IBOR reform. For this purpose, the hedge designation is amended only to make one or more of the following changes:

- designating an alternative benchmark rate as the hedged risk;
- updating the description of the hedged item, including the description of the designated portion of the cash flows or fair value being hedged; or
- updating the description of the hedging instrument.

3 Material accounting policies *(continued)*

3.6 Financial instruments *(continued)*

(v) Derivative financial instruments and hedge accounting (continued)

Hedges directly affected by interest rate benchmark reform (continued)

The Group also amends the description of the hedging instrument if the following conditions are met:

- it makes a change required by IBOR reform by using an approach other than changing the basis for determining the contractual cash flows of the hedging instrument;
- the chosen approach is economically equivalent to changing the basis for determining the contractual cash flows of the original hedging instrument; and
- the original hedging instrument is not derecognised.

The Group amends the formal hedge documentation by the end of the reporting period during which a change required by IBOR reform is made to the hedged risk, hedged item or hedging instrument. These amendments in the formal hedge documentation do not constitute the discontinuation of the hedging relationship or the designation of a new hedging relationship.

If changes are made in addition to those changes required by IBOR reform described above, then the Group first considers whether those additional changes result in the discontinuation of the hedge accounting relationship. If the additional changes do not result in the discontinuation of the hedge accounting relationship, then the Group amends the formal hedge documentation for changes required by IBOR reform as mentioned above.

When the interest rate benchmark on which the hedged future cash flows had been based is changed as required by IBOR reform, for the purpose of determining whether the hedged future cash flows are expected to occur, the Group deems that the hedging reserve recognised in OCI for that hedging relationship is based on the alternative benchmark rate on which the hedged future cash flows will be based.

More information about the Group’s accounting policies and risk management activities related to derivative financial instruments and hedge accounting is provided in note 4.1 (iii) (c), cash flow and fair value interest rate risk.

Cash flow hedges

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

The Group designates only the change in fair value of the spot element of forward exchange contracts as the hedging instrument in cash flow hedging relationships. The change in fair value of the forward element of forward exchange contracts (forward points) is separately accounted for as a cost of hedging and recognised in a cost of hedging reserve within equity.

3 Material accounting policies *(continued)*

3.6 Financial instruments *(continued)*

(v) Derivative financial instruments and hedge accounting (continued)

Cash flow hedges (continued)

When the hedged forecast transaction subsequently results in the recognition of a non-financial item such as inventory, the amount accumulated in the hedging reserve and the cost of hedging reserve is included directly in the initial cost of the non-financial item when it is recognised.

For all other hedged forecast transactions, the amount accumulated in the hedging reserve and the cost of hedging reserve is reclassified to profit or loss in the same period or periods during which the hedged expected future cash flows affect profit or loss.

If the hedge no longer meets the criteria for hedge accounting or the hedging instrument is sold, expires, is terminated or is exercised, then hedge accounting is discontinued prospectively. When hedge accounting for cash flow hedges is discontinued, the amount that has been accumulated in the hedging reserve remains in equity until, for a hedge of a transaction resulting in the recognition of a non-financial item, it is included in the non-financial item's cost on its initial recognition or, for other cash flow hedges, it is reclassified to profit or loss in the same period or periods as the hedged expected future cash flows affect profit or loss.

If the hedged future cash flows are no longer expected to occur, then the amounts that have been accumulated in the hedging reserve and the cost of hedging reserve are immediately reclassified to profit or loss.

3.7 Impairment

(i) Non-derivative financial assets

Financial instruments and contract assets

The Group recognises loss allowances for ECLs on:

- financial assets measured at amortised cost;
- debt investments measured at FVOCI; and
- contract assets.

The Group recognises loss allowances for ECLs on trade receivables, which are disclosed as part of trade and other receivables.

The Group measures loss allowances at an amount equal to lifetime ECLs, except for the following, which are measured at 12-month ECLs:

- debt securities that are determined to have low credit risk at the reporting date; and
- other debt securities and bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

Loss allowances for trade receivables and contract assets are always measured at an amount equal to lifetime ECLs.

3 Material accounting policies *(continued)*

3.7 Impairment *(continued)*

(i) Non-derivative financial assets (continued)

Financial instruments and contract assets (continued)

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment, that includes forward-looking information.

The Group assumes that the credit risk on a financial asset has increased significantly if it is more than 360 days past due.

The Group considers the credit risk on the investments in government bonds and bank deposits to be low at the reporting date, as these financial assets have low risk of default, the borrowers have strong capacity to meet their contractual cash flow obligations in the near term and adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations.

Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument.

12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.

Measurement of ECLs

The Group assesses on a forward-looking basis the expected credit losses ("ECL") associated with its debt instrument assets carried at amortised cost. The Group recognises a loss allowance for such losses at each reporting date. The measurement of ECL reflects:

- An unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes;
- The time value of resources; and
- Reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

Credit-impaired financial assets

At each reporting date, the Group assesses whether financial assets carried at amortised cost and debt securities at FVOCI are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

3 Material accounting policies *(continued)*

3.7 Impairment *(continued)*

(i) Non-derivative financial assets (continued)

Credit-impaired financial assets (continued)

Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the debtor;
- a breach of a contract such as default or being more than 360 days past due, except for receivables from government entities;
- the restructuring of a loan or advance by the Group on terms that the Group would not consider otherwise;
- it is probable that the debtor will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for a security because of financial difficulties.

Presentation of allowance for ECL in the consolidated statement of financial position

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

For debt securities at FVOCI, the loss allowance is charged to profit or loss and is recognised in OCI.

Write-off

The Group writes off financial assets, in whole or in part, when it has exhausted all practical recovery efforts and has concluded that there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include (i) financial asset has become more than 12 months overdue, (ii) ceasing enforcement activity and (iii) where the Group's recovery method is foreclosing on collateral and the value of the collateral is such that there is no reasonable expectation of recovering in full.

The Group may write-off financial assets that are still subject to enforcement activity. The Group still seeks to recover amounts it is legally owed in full, but which have been partially written off due to no reasonable expectation of full recovery.

(ii) Non-financial assets

At each reporting date, the Group reviews the carrying amounts of its non-financial assets (other than biological assets, investment property, inventories, contract assets and deferred tax assets) 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 of disposal. 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.

3 Material accounting policies *(continued)*

3.7 Impairment *(continued)*

(ii) Non-financial assets (continued)

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its recoverable amount. Impairment losses are recognised 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 amortisation, if no impairment loss had been recognised.

The Group's impairment calculation is based on detailed budgets and forecast calculations which are prepared separately for each of the Group's cash-generating units ("CGU") to which the individual asset is allocated. Impairment losses of continuing operations are recognised in profit or loss in those expense categories consistent with the function of the impaired asset.

3.8 Leases

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

(i) As a lessee

At commencement or on modification of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices. However, for the leases of property the Group has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Group by the end of the lease term or the cost of the right-of-use asset reflects that the Group will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate.

3 Material accounting policies *(continued)*

3.8 Leases *(continued)*

(i) As a lessee (continued)

The Group determines its incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and type of the asset leased.

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

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee; and
- the exercise price under a purchase option that the Group is reasonably certain to exercise, lease payments in an optional renewal period if the Group is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Group is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, if the Group changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Group presents right-of-use assets that do not meet the definition of investment property in 'property, plant and equipment' and lease liabilities in 'loans and borrowings' in the consolidated statement of financial position.

Short-term leases and leases of low-value assets

The Group has elected not to recognise right-of-use assets and lease liabilities for leases of low-value assets and short-term leases, including IT equipment. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

(ii) As a lessor

At inception or on modification of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of their relative standalone prices.

When the Group acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease.

To classify each lease, the Group makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease. As part of this assessment, the Group considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

3 Material accounting policies *(continued)*

3.8 Leases *(continued)*

(ii) As a lessor (continued)

When the Group is an intermediate lessor, it accounts for its interests in the head lease and the sub-lease separately. It assesses the lease classification of a sub-lease with reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset. If a head lease is a short-term lease to which the Group applies the exemption described above, then it classifies the sub-lease as an operating lease.

If an arrangement contains lease and non-lease components, then the Group applies IFRS 15 to allocate the consideration in the contract.

The Group applies the derecognition and impairment requirements in IFRS 9 to the net investment in the lease. The Group further regularly reviews estimated unguaranteed residual values used in calculating the gross investment in the lease.

The Group recognises lease payments received under operating leases as income on a straight-line basis over the lease term as part of 'other revenue'.

3.9 Inventories

Inventories comprise consumables and repair spares and operating stock of fuel. Inventories are measured at the lower of cost and net realisable value. The cost of inventories is based on the weighted average principle. Cost comprises of direct materials, and where applicable, direct labour and those overheads that have been incurred in bringing the inventories to their present location and condition. Net realisable value is the estimated selling price in the ordinary course of business, less applicable selling expenses.

3.10 Borrowing costs

Borrowing costs consists of interest and other costs that the Group incurs in connection with the borrowing of funds. General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale. The Group has determined the substantial period to be greater than 1 year.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

Other borrowing costs are expensed in the year in which they are incurred.

3.11 Trade receivables

Trade receivables comprise of trade receivables, due from related parties and accrued revenue. Trade receivables are amounts due from customers for goods sold or services provided in the ordinary course of business. Trade receivables are recognised initially at fair value, which is the original invoice amount, and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

Trade receivables are impaired as per the policy explained in notes 3.7 and 17 to the consolidated financial statements which is in compliance with requirements of IFRS 9.

3 Material accounting policies *(continued)*

3.11 Trade receivables *(continued)*

The carrying amount of an asset is reduced through the use of an allowance account, and the amount of the loss is recognised in profit or loss.

When a trade receivable is uncollectible, it is written off against the allowance account for trade receivables. Subsequent recoveries of amounts previously written off are credited in profit or loss.

3.12 Cash and cash equivalents and short-term deposits

(a) *Cash* and cash equivalents

Cash and cash equivalents comprise of cash in hand, current and call accounts with the banks and other institutions and term deposits held with banks. Term deposits with banks from original maturities less than three months are disclosed as cash and cash equivalents. Bank overdrafts are shown within borrowings in current liabilities in the consolidated statement of financial position.

For the purposes of presentation in the consolidated statement of cash flows, cash and cash equivalents include cash in hand, deposits held at current and call accounts with banks, other short-term highly liquid investments with original maturities of three months or less and bank overdrafts.

(b) *Short-term deposits*

Short-term deposits comprise of fixed deposits held with the banks. Term deposits with banks with original maturities greater than twelve months are disclosed as non-current assets.

3.13 Advance received for new connections and security deposits

(a) *Advances for new connections*

The Group receives amounts from customers for construction and installation of equipment. These amounts are classified as advances received for new connections until the construction or installation of the equipment is completed. On completion, these amounts are transferred from advances received for new connections to deferred revenue under liabilities.

Management estimates the current portion of the advances for new connections based on anticipated refunds to contractual parties. The remaining amounts are classified as non-current liabilities.

(b) *Security deposits*

The Group receives security deposits against electricity and water connections from its customers. These deposits are refundable to the customers only at the time of disconnection. The Group classifies all amounts received as security deposits as current liabilities as these amounts are repayable to the customer on demand upon disconnection.

3.14 Deferred revenue

Deferred revenue represents amounts transferred from advances for new connections upon completion of construction and installation of equipment. Deferred revenue is amortised and recognised in profit or loss on a straight-line basis over the estimated useful life of the related equipment. Deferred revenue also includes assets taken over or received free of cost by the Group.

3 Material accounting policies *(continued)*

3.15 Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in profit or loss over the period of the borrowings using the effective interest method. Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case the fee is deferred until the draw down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a pre-payment for liquidity services and amortised over the period of the facility to which it relates.

Financial liabilities are derecognised when they are extinguished (i.e. when the obligation specified in the contract is discharged, cancelled or expires).

3.16 Employee benefits

Short-term employee benefits

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

Liabilities for wages and salaries, including non-monetary benefits and accumulating leave that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current liability in the consolidated statement of financial position.

Post-employment obligations

(a) *Defined benefit plan*

Pension obligations for UAE nationals retired before 1 January 2003

The Group operates a defined benefit pension plan for eligible UAE national employees retired before 1 January 2003. The cost of providing pensions is charged to profit or loss.

3 Material accounting policies *(continued)*

3.16 Employee benefits *(continued)*

Post-employment obligations *(continued)*

(a) Defined benefit plan (continued)

Post-employment benefit obligations for eligible expatriates

The Group operates a defined benefit payment plan for eligible expatriates and specific UAE national employees in accordance with the Dubai Government Human Resource Management Law No. (27) of 2006.

The Group's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets, as applicable.

The net benefit obligation is determined by discounting the estimated future cash outflows using interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms approximating to the terms of the related obligation. In countries where there is no deep market for such bonds, the market rates on government bonds are used.

The calculation of defined benefit obligations is performed annually by a qualified actuary using the projected unit credit method.

When the calculation results in a potential asset for the Group, the recognised asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan, as applicable.

To calculate the present value of economic benefits, consideration is given to any applicable minimum funding requirements.

Remeasurements of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), as applicable, are recognised immediately in OCI.

The Group determines the net interest expense (income) on the net defined benefit liability (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then-net defined benefit liability (asset), taking into account any changes in the net defined benefit liability (asset) during the period as a result of contributions and benefit payments.

Net interest expense and other expenses related to defined benefit plans are recognised in profit or loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognised immediately in profit or loss. The Group recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

3 Material accounting policies *(continued)*

3.16 Employee benefits *(continued)*

Post-employment obligations *(continued)*

(b) Defined contribution plan

Pension obligations for UAE national from 1 January 2003

Effective 1 January 2003, the Group joined the pension scheme operated by the Federal Pension General and Social Security Group which is a defined contribution plan. The Group's contributions for eligible active UAE national employees are calculated as a percentage of the employees' salaries and charged to profit or loss, in accordance with the provisions of Federal Law No. (7) of 1999 on Pension and Social Security. The Group has no legal or constructive obligation to pay any further contributions.

Obligations for contributions to defined contribution plans are expenses as the related service is provided. Prepaid contributions are recognised as an asset to the extent that cash refund or a reduction in future payments is available.

3.17 Trade and other payables

These amounts represent liabilities for goods and services provided to the Group prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid within 30 to 60 days of recognition. Trade and other payables are presented as current liabilities unless payment is not due within twelve months after the reporting year. Trade and other payables are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest rate method. Trade and other payables are derecognised when they are extinguished (i.e. when the obligation specified in the contract is discharged, cancelled or expires).

3.18 Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and the amount has been reliably estimated. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised in profit or loss.

3.19 Dividends

Provision is made for the amount of any dividend declared, being appropriately authorised and no longer at the discretion of the Group, on or before the end of the reporting period but not distributed at the end of the reporting period.

3 Material accounting policies *(continued)*

3.20 Capital contribution

Amounts contributed to the Authority by the Government of Dubai to finance the activities of the Authority are classified as equity. There is no contractual obligation for the Authority to pay these funds back to the Government of Dubai. Increase in the capital contribution (previously Government of Dubai account) is generally additional contributions either monetary or non-monetary. Non-monetary contributions are measured at fair value.

Land received for free is initially measured at a fair value. The valuation is based on valuation received from Land Department of the Government of Dubai. The fair value measurement had been categorised as a Level 3 fair value based on the inputs to the valuation techniques used. Refer note 7 (b).

3.21 Statutory reserve

In accordance with Article 241 of the UAE Federal Commercial Companies Law, a minimum of 10% of the net profit of the Authority and the subsidiaries that fall under the definition of UAE Federal Commercial Companies Law, are allocated each year to a non-distributable statutory reserve. Such allocations may cease when the statutory reserve equals half of the nominal value of the paid-up share capital. This reserve is not available for distribution except as stipulated by law. Refer note 20 (c).

3.22 Revenue from contracts with customers

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

Step 1. Identify the contract(s) 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.

3 Material accounting policies *(continued)*

3.22 Revenue from contracts with customers *(continued)*

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

(a) The customer simultaneously receives and consumes the benefits provided by the Group's performance as the Group performs; or
(b) The Group's performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or
(c) 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 comprises the fair value of consideration received or receivable for the sales of goods and services in the ordinary course of Group's activities and is shown net of discounts and allowances.

The Group recognises revenue when the amount of revenue can be reliably measured; it is probable that future economic benefits will flow to the Group and when specific criteria have been met for each of the Group's activities, as described below:

(a) Supply of electricity and water

Revenue from the supply of electricity and water is recognised on the basis of electricity and water supplied during the period on an accrual basis with reference to meter readings. A management estimate is included for the value of units supplied to customers between the date of their last meter reading and the accounting period end. The estimate is calculated using historical consumption patterns and is included in trade and other receivables as accrued revenue.

(b) District cooling services

Demand and consumption charges revenue comprises of available capacity and variable output provided to customers and is recognized when services are provided.

Other revenue comprises services that are recognized as and when services are rendered.

(c) Meter rental

Meter rental income is recognised on a time proportion basis over the period during which the meter is provided to the customer.

(d) Interest income

Interest income is recognised on a time-proportion basis using the effective interest rate method.

(e) Dividends

Dividends are recognised as other income when the right to receive payment is established.

3 Material accounting policies *(continued)*

3.22 Revenue from contracts with customers *(continued)*

(f) Amortisation of deferred revenue

Deferred revenue is amortised and recognised as income on a straight-line basis over the estimated useful life of the related equipment. Refer note 3.14.

(g) Other services

Revenue from other services include handling charges, reconnection and disconnection charges, which are recognised in the accounting period in which the services are rendered.

3.23 Foreign currency translations

(a) Functional and presentation currency

These consolidated financial statements are presented in UAE Dirhams (AED), which is the Group's functional currency. All amounts have been rounded to the nearest thousand, unless otherwise indicated. Subsidiaries and joint ventures determine their own functional currency and items included in the financial statements of these companies are measured using that functional currency.

(b) Transactions and balances

Transactions in foreign currencies are translated into the respective functional currency of group companies at the exchange rates at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Non-monetary items that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction. Foreign currency differences are generally recognised in profit or loss and presented within finance costs.

However, foreign currency differences arising from the translation of the following items are recognised in OCI:

- an investment in equity securities designated as at FVOCI (except on impairment, in which case foreign currency differences that have been recognised in OCI are reclassified to profit or loss);
- a financial liability designated as a hedge of the net investment in a foreign operation to the extent that the hedge is effective; and
- qualifying cash flow hedges to the extent that the hedges are effective.

3.24 Regulatory deferral account

The Group has been allowed by the Dubai Supreme Council of Energy ("the regulator") to bill the increase in fuel prices considering 2010 as the base year. Regulatory deferral account balance arises on account of amounts billed to and collected from customers as fuel surcharge in excess/short of amounts to be billed to customers. The deferral account is deferred and adjusted against the next change in tariff approved by the regulator. Regulatory deferral account is not described as a liability/asset for the purposes of the Group's consolidated financial statements and is disclosed as a separate line item in the consolidated statement of financial position.

3 Material accounting policies *(continued)*

3.25 Fair value measurement

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 in the principal or, in its absence, the most advantageous market to which the Group has access at that date. The fair value of a liability reflects its non-performance risk.

A number of the Group's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

The Group uses valuation techniques that maximise the use of relevant observable inputs and minimise the use of unobservable inputs. The chosen valuation technique incorporates all of the factors that market participants would take into account in pricing a transaction.

The best evidence of the fair value of a financial instrument on initial recognition is normally the transaction price - i.e. the fair value of the consideration given or received. If the Group determines that the fair value on initial recognition differs from the transaction price and the fair value is evidenced neither by a quoted price in an active market for an identical asset or liability nor based on a valuation technique for which any unobservable inputs are judged to be insignificant in relation to the measurement, then the financial instrument is initially measured at fair value, adjusted to defer the difference between the fair value on initial recognition and the transaction price. Subsequently, that difference is recognised in profit or loss on an appropriate basis over the life of the instrument but no later than when the valuation is wholly supported by observable market data or the transaction is closed out.

3.26 Income tax

Income tax expense comprises current and deferred tax. It is recognised in profit or loss except to the extent that it relates to a business combination, or items recognised directly in equity or in OCI. Refer note 13 for application UAE Tax law related to current and deferred tax.

Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes, if any. It is measured using tax rates enacted or substantively enacted at the reporting date. Current tax may also include any tax arising from dividends.

Current tax assets and liabilities are offset when there is a legally enforceable right to set off recognised amounts and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

3 Material accounting policies *(continued)*

3.26 Income tax *(continued)*

Deferred tax *(continued)*

Deferred tax is not recognised for:

- temporary differences on the initial recognition of assets or liabilities in a transaction that:
  - is not a business combination; and
  - at the time of the transaction
    (i) affects neither accounting nor taxable profit or loss and
    (ii) does not give rise to equal taxable and deductible temporary differences

- temporary differences related to investments in subsidiaries, associates and joint arrangements to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and

- taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Future taxable profits are determined based on the reversal of relevant taxable temporary differences. If the amount of taxable temporary differences is insufficient to recognise a deferred tax asset in full, then future taxable profits, adjusted for reversals of existing temporary differences, are considered, based on the business plans for individual subsidiaries in the Group. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised; such reductions are reversed when the probability of future taxable profits improves.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when;

- there is a legally enforceable right to set off current tax asset against current tax liabilities,
- and when the deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority on either;
  - the same taxable entity, or
  - different taxable entities, which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

4 Financial risk management

4.1 Financial risk factors

Risk management framework

The Group's Board of Directors has overall responsibility for the establishment and oversight of the Group's risk management framework. The risk and resilience committee are responsible for developing and monitoring the Group's risk management policies.

4 Financial risk management *(continued)*

4.1 Financial risk factors *(continued)*

Risk management framework (continued)

The Board of the Directors have 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 products offered. The Group, through its management standards and procedures, aims to develop a disciplined and constructive control environment, in which all employees understand their roles and obligations. The Board of Directors review and agree policies for managing each of these risks which are summarised below.

The Group has exposure to the following risks arising from financial instruments:

(i) credit risk
(ii) liquidity risk
(iii) market risk

(i) Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from customers, other financial assets at amortised cost and investments in debt securities.

The carrying amounts of financial assets represent the maximum credit exposure. Credit impairment (reversal)/losses on financial assets and contract assets recognised in profit or loss were as follows:

	2024 **AED'000**	2023 AED'000
Impairment loss on other financial assets at amortised cost (refer note 15.2)	**3,865**	71,940
Impairment (reversal)/loss on trade receivables (refer note 17)	**(97,936)**	47,239
Impairment loss on short-term deposits (refer note 18)	**874**	6,486
	(93,197)	125,665

(a) Trade receivables

The Group's credit risk is primarily attributable to its trade receivables. The amounts presented in the consolidated statement of financial position are net of provision for impairment of receivables.

The Group has a wide customer base in the Emirate of Dubai and services commercial, industrial and governmental organisations as well as residential customers including UAE nationals and expatriates. Carrying amount of trade receivables best represent the maximum exposure to credit risk at the end of each reporting period presented.

4 Financial risk management *(continued)*

4.1 Financial risk factors *(continued)*

(i) Credit risk (continued)

(a) Trade receivables (continued)

The Group taking into consideration the exposure to the customer, when appropriate, manages credit risk by requesting additional deposits, disconnection of services and implementing payment plans for customers in arrears.

Due to large and diversified customer base, concentration of credit risk on few customers is limited.

Expected credit loss assessment for customers

The Group uses an allowance matrix to measure the ECLs of receivables from customers. Loss rates are calculated using "roll rate" method based on the profitability of a receivable progressing through successive stages of delinquency to write off. Roll rates are calculated separately to exposures in different segments based on common credit risks characteristics.

The Group considers the credit risk on the outstanding balances from government customers to be low at the reporting date, as these financial assets have low risk of default, the counterparties have strong capacity to meet their contractual cash flow obligations in the near term and adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the counterparties to fulfil its contractual cash flow obligations.

To measure the expected credit losses, trade receivables and accrued revenue have been grouped together based on its shared credit risk characteristics and the days past due. Accrued revenue has substantially the same risk characteristics as the trade receivables and therefore concluded that the expected loss rates for trade receivables and accrued revenue are a reasonable approximation of the loss rates for the contract assets.

The following table provides information about the exposure to credit risk and ECLs for trade receivables and contract assets from individual customers for 2024 and 2023:

As at 31 December 2024	**Expecte loss rate**	**Gross carrying amount AED'000**	**Loss allowance AED'000**
Current	**1.14%**	**2,466,752**	**28,24`2**
More than 30 days past due	**3.79%**	**197,452**	**7,492**
More than 60 days past due	**9.45%**	**138,385**	**13,079**
More than 120 days past due	**23.83%**	**145,153**	**34,583**
More than 360 days past due	**64.03%**	**675,566**	**432,540**
		3,623,308	**515,936**

4 Financial risk management *(continued)*

4.1 Financial risk factors *(continued)*

(i) Credit risk (continued)

(a) Trade receivables (continued)

As at 31 December 2023	Expected loss rate	Gross carrying amount AED'000	Loss allowance AED'000
Current	2.68%	2,384,195	63,895
More than 30 days past due	3.96%	246,696	9,765
More than 60 days past due	10.10%	211,101	21,321
More than 120 days past due	19.04%	320,035	60,920
More than 360 days past due	52.55%	872,343	458,411
		4,034,370	614,312

(b) Other financial assets

With respect to credit risk arising from the other financial assets at amortised cost of the Group, which comprise cash and cash equivalents, other financial assets at amortised cost and due from related parties, the Group's exposure to credit risk arises from default of the counter party, with a maximum exposure equal to the carrying amount of these instruments.

The Group limits its credit risks with regard to bank deposits by dealing only with reputable banks.

Other financial assets at amortised cost include investments in UAE National Bonds and other receivables are held with reputed counter parties which management do not expect any loss from their non-performance. The Group uses the general approach to estimate the expected credit losses of government, semi-government entities and financial assets at amortized cost. The expected credit loss is calculated over the 12-month period or Lifetime ECL depending on the change in credit risk associated with financial assets.

Balances due from related parties are held with reputed counter parties and management do not expect any loss from their non-performance. The Group uses the general approach to estimate the expected credit losses of government, semi-government entities and financial assets at amortized cost. The expected credit loss is calculated over the 12-month period or Lifetime ECL depending on the change in credit risk associated with financial assets.

4 Financial risk management *(continued)*

4.1 Financial risk factors *(continued)*

(i) Credit risk (continued)

(c) Cash and cash equivalents

The Group held cash and cash equivalents of AED 6,105 million as at 31 December 2024 *(31 December 2023: AED 5,300 million)*. The cash and cash equivalents are held with bank and financial institution counterparties and related parties having credit rating as detailed below:

Credit ratings	*Source*	**2024 AED'000**	2023 AED'000
AA-	Fitch	**3,534**	90,283
A+	Fitch	**4,814,379**	4,705,578
A	Fitch	**1,132,316**	492,914
A-	Fitch	**11,775**	4,417
BBB+	Fitch	**2,687**	5,864
BB	Fitch	**138,069**	7
Baa1	Moody's	**1,706**	167
Ba2	Moody's	**-**	6
Baa3	Moody's	**165**	-
Caa3	Moody's	**67**	76
C	Fitch	**-**	410
		6,104,698	5,299,722

(d) Short-term deposits

The Group held short-term deposits of AED 3,596 million as at 31 December 2024 *(31 December 2023: AED 4,903 million)*. The short-term deposits are held with banks and financial institutions having credit rating as detailed below:

Credit ratings	*Source*	**2024 AED'000**	2023 AED'000
A+	Fitch	**2,965,260**	2,866,297
A	Fitch	**300,000**	640,591
A-	Fitch	-	918,250
Baa1	Moody's	**100,000**	50,000
BBB+	Fitch	**230,264**	427,624
		3,595,524	4,902,762

4 Financial risk management *(continued)*

4.1 Financial risk factors *(continued)*

(i) Credit risk (continued)

(e) UAE National Bonds and Sukuk Bonds

The Group held UAE National Bonds and Sukuk Bonds of AED 1,583 million as at 31 December 2024 *(2023: AED 1,265 million)*. The UAE National Bonds and Sukuk Bonds are held with National Bonds Corporation having credit rating as detailed below:

Credit ratings	*Source*	**2024 AED'000**	2023 AED'000
AA-	Fitch	**1,583,012**	1,264,731

(f) Derivatives

The derivatives are entered into with bank and financial institution counterparties, which are related to AA- to AA+ based on Fitch ratings. All other financial assets are unrated (refer note 10).

(ii) Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting financial obligations due to shortage of funds. The Group's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities.

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 Group's reputation.

In the management of liquidity risk, the Group monitors and maintains a level of cash and cash equivalents, deemed adequate by management to finance the Group's operations and mitigate the effects of fluctuations in cash flows. The Group monitors its risk of shortage of funds using cash flow budgeting in which it considers both the cash outflows as well as their sources of funding.

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

4 Financial risk management *(continued)*

4.1 Financial risk factors *(continued)*

(ii) Liquidity risk (continued)

	Less than 1 year AED'000	**1 to 2 years AED'000**	**Over 2 years AED'000**	**Total AED'000**	**Carrying amount AED'000**
Non-derivative financial liabilities					
31 December 2024					
Secured borrowings (refer note 21)	**5,653,787**	**2,299,106**	**39,571,068**	**47,523,961**	**27,530,226**
Unsecured borrowings (refer note 21)	**3,068,591**	**311,574**	**6,668,536**	**10,048,701**	**8,642,550**
Lease liabilities (refer note 23)	**20,274**	**11,682**	**15,228**	**47,184**	**43,929**
Other long-term liabilities * (refer note 24)	**-**	**338,854**	**286,192**	**625,046**	**575,306**
Trade and other payables * (refer note 25)	**14,388,611**	**-**	**-**	**14,388,611**	**14,388,611**
	23,131,263	**2,961,216**	**46,541,024**	**72,633,503**	**51,180,622**

	Less than 1 year AED'000	1 to 2 years AED'000	Over 2 years AED'000	Total AED'000	Carrying amount AED'000
Non-derivative financial liabilities					
31 December 2023					
Secured borrowings (refer note 21)	7,964,557	2,622,087	38,071,992	48,658,636	29,359,923
Unsecured borrowings (refer note 21)	5,307,347	272,142	4,647,359	10,226,848	9,527,643
Lease liabilities (refer note 23)	16,198	11,697	7,042	34,937	32,247
Other long-term liabilities * (refer note 24)	-	346,249	322,244	668,493	613,418
Trade and other payables * (refer note 25)	12,884,889	-	-	12,884,889	12,884,889
	26,172,991	3,252,175	43,048,637	72,473,803	52,418,120

* These do not include advances for new connections, deferred revenue, asset retirement obligations and retirement benefits obligations as these are non-financial liabilities.

4 Financial risk management *(continued)*

4.1 Financial risk factors *(continued)*

(ii) Liquidity risk (continued)

	Less than 1 year AED'000	**1 to 2 years AED'000**	**Over 2 years AED'000**	**Total AED'000**	**Carrying amount AED'000**
Derivative financial liabilities					
31 December 2024					
Interest rate swaps used for hedging	**176**	**-**	**6,217**	**6,393**	**6,393**

	Less than 1 year AED'000	1 to 2 years AED'000	Over 2 years AED'000	Total AED'000	Carrying amount AED'000
Derivative financial liabilities					
31 December 2023					
Interest rate swaps used for hedging	-	-	3,732	3,732	3,732

Refer notes 10 and 37.

(iii) Market risk

Market risk is the risk that changes in market prices – e.g. foreign exchange rates, interest rates and equity prices – 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.

(a) Foreign exchange risk

Currency risk arises on recognised assets or liabilities that are primarily denominated in a currency that is not the Group's functional currency. The Group has no significant exposure to this risk as the majority of its transactions are denominated in AED. The Group has certain transactions in foreign currencies, mainly in Euros. However, the foreign currency exposure arising out of foreign currency denominated balances as at 31 December 2024 and 2023 are not material.

(b) Price risk

Price risk is the risk that the value of a financial instrument will fluctuate as a result of changes in market prices, whether these changes are caused by factors specific to the individual instrument or its issuers or factors affecting all the instruments traded in the market. Hence, the Group has no exposure to price risk as there are no price sensitive financial instruments.

4 Financial risk management *(continued)*

4.1 Financial risk factors *(continued)*

(iii) Market risk (continued)

(c) Cash flow and fair value interest rate risk

A fundamental reform of major interest rate benchmarks is being undertaken globally, including the replacement of some interbank offered rates (IBORs) with alternative nearly risk-free rates (referred to as 'IBOR reform'). The alternative reference rate for US Dollar LIBOR is the Secured Overnight Financing Rate (SOFR). As announced by the Financial Conduct Authority (FCA) in early 2022, the panel bank submissions for the overnight and 12-month US Dollar LIBOR ceased on 30 June 2023. In addition, the FCA announced in early 2023 that the one-month, three-month and six-month synthetic US Dollar LIBOR settings will cease on 30 September 2024. During the current year, the Group signed agreements with lenders and adopted term SOFR for its financing.

The variable rate borrowings of the Group are based on SOFR and EIBOR. The Group has entered into interest rate swaps to mitigate the risk of variable rate borrowings (refer note 10). The table below shows the exposure of the Group's variable and fixed rate borrowings:

	2024 **AED'000**	2023 AED'000
Variable rate borrowings	**31,429,585**	34,401,529
Effect of interest rate swaps	**(24,905,758)**	(21,183,952)
	6,523,827	13,217,577
Fixed rate borrowings	**4,743,191**	4,486,037
Effect of interest rate swaps	**24,905,758**	21,183,952
	29,648,949	25,669,989
	36,172,776	38,887,566

Cashflow sensitivity analysis for variable-rate borrowings

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

4 Financial risk management *(continued)*

4.1 Financial risk factors *(continued)*

(iii) Market risk (continued)

(c) Cash flow and fair value interest rate risk (continued)

Cashflow sensitivity analysis for variable-rate borrowings (continued)

	Profit or loss		Equity	
	100 bp increase	**100 bp decrease**	**100 bp increase**	**100 bp decrease**
	AED'000		**AED'000**	
31 December 2024				
Variable rate borrowings	**(65,238)**	**65,238**	**-**	**-**
Interest rate swaps	**-**	**-**	**249,058**	**(249,058)**
Cash flow sensitivity, net	**(65,238)**	**65,238**	**249,058**	**(249,058)**
31 December 2023				
Variable rate borrowings	(132,176)	132,176	-	-
Interest rate swaps	-	-	211,840	(211,840)
Cash flow sensitivity, net	(132,176)	132,176	211,840	(211,840)

Fair value sensitivity analysis for fixed-rate borrowings

The Group does not account for any fixed-rate financial assets or financial liabilities, at FVTPL, and the 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.

A change of 100 basis points in interest rates would have increased or decreased equity by AED 249 million *(2023: AED 212 million)*. This analysis assumes that all other variables, in particular foreign currency exchange rates, remain constant.

4.2 Capital risk management

The Group monitors and responds pragmatically to market conditions and business developments both locally and internationally, and ensures adequate funds are available to meet the needs of its businesses and support sound value enhancement objectives. The Group's strategic focus is the active management of the business portfolio in order to deal with its debt service obligations and to enhance the value of the Owner's equity.

4.3 Fair value estimation

A number of the Group's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus or minus, for an item not at fair value through profit or loss, transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price. These financial assets and liabilities are subsequently measured at amortised cost except the financial assets at fair value through other comprehensive income and derivative financial instruments.

4 Financial risk management *(continued)*

4.3 Fair value estimation *(continued)*

Fair value of cash and cash equivalents, trade receivable, trade payable, borrowings, other current assets and liabilities are considered to approximates their carrying amount except derivatives, which are the only financial instruments which are carried at fair value and fall into level 2 of the fair value hierarchy (refer notes 10 and 11).

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

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

If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Group recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

5 Critical accounting estimates and judgements

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 asset or liability affected in future periods.

5.1 Critical accounting estimates

(a) Revenue recognition – unread electricity and water meters

Revenue for electricity and water supply includes an assessment of electricity and water supplied to customers between the date of the last cyclical meter reading and the year-end (unread). Unread electricity and water supplied is estimated by using historical consumption patterns of respective customer categories. Management applies judgement to the measurement of the estimated electricity and water units supplied to customers and the valuation such units consumed. The application of a 5% increase to management estimate of total units for all customer categories, in isolation would result in the increase in revenue and profit by AED 64 million *(2023: AED 57 million)*. The application of a 5% decrease to management estimate of total units for all customer categories, in isolation would result in the decrease in revenue and profit by AED 64 million *(2023: AED 57 million)*.

5 Critical accounting estimates and judgements *(continued)*

5.1 Critical accounting estimates *(continued)*

(b) Expected credit loss (ECL) assessment

The Group uses an allowance matrix to measure the ECLs of trade receivables from individual customers, which comprise a very large number of small balances.

Loss rates are calculated using a 'roll rate' method based on the probability of a receivable progressing through successive stages of delinquency. Roll rates are calculated separately for exposures in different segments based on the following common credit risk characteristics and age of customer relationship.

The Group reviews its trade receivables to assess impairment on a regular basis. In determining whether impairment losses should be reported in profit or loss, the Group makes assessment for expected credit loss for trade receivables.

Exposure within each credit risk grade is based on customer segments and ECL rate is calculated for each segment based on actual credit loss experience over the past years. These rates are multiplied by macro-economic factors to reflect the differences between economic conditions during the period over which the historical data has been collected, current conditions and the Group's view of economic conditions over the expected lives of the trade receivables.

Accordingly, an allowance for impairment is made where there is an identified loss event or condition which, based on previous experience, is evidence of a reduction in the recoverability of the cash flows.

The Group's estimation process for the determination of provision for impairment loss on trade receivables based on the ECL model is disclosed in notes 3.7 and 4.1.

5.2 Critical accounting judgements

(a) Component parts of property, plant and equipment

The Group's assets, classified within property, plant and equipment, are depreciated on a straight-line basis over their useful lives. When determining the useful life of an asset, it is broken down into significant component parts such that each significant component part is depreciated separately. Judgement is required in ascertaining the significant components of a larger asset, and while defining the significance of a component, management considers quantitative materiality of the component part as well as qualitative factors such as difference in useful life as compared to related asset, its pattern of consumption and its replacement cycle/maintenance schedule.

5 Critical accounting estimates and judgements *(continued)*

5.2 Critical accounting judgements *(continued)*

(b) Determination of control over certain subsidiaries

The Group has entered into various agreements to establish Shuaa Energy 1 P.S.C, Hassyan Energy Phase 1 P.S.C, Shuaa Energy 2 P.S.C, Shuaa Energy 3 P.S.C, Noor Energy 1 P.S.C, Shuaa Energy 4 P.S.C and Hassyan Water Company A P.S.C for construction of power plant and generation of electricity from renewable and non-renewable sources and desalination of water. To determine control over these entities, the Group considers the purpose and design of these entities along with the fact that whether it has the power to govern the financial and operational strategy of the respective entities and whether a significant portion of the entity's activities are carried on behalf of the Group.

Management has therefore concluded that the relevant activities of these entities are directed via contractual arrangements in the normal course of business as the Authority is the sole offtaker. Additionally, the management has control over relevant activities of these entities through right to appoint key management personnel and majority of board members. Consequently, the Group has consolidated the results of these entities in these consolidated financial statements. The Group will continue to evaluate these circumstances at each reporting date to determine whether this judgement continues to be valid. If the Group determines that it no longer has control over any of these entities, it will de-consolidate the entities and account for these entities using the equity method from the date that control is deemed to cease.

6 Operating segments

(i) Basis for segmentation

The chief operating decision-makers (CODM) have been identified as the Board of Directors of the Group that make all the strategic decisions related to the Group's activities. The Board of Directors reviews the Group's internal reporting in order to assess the performance and allocate its resources based on which the operating segments have been determined.

For the Board of Directors, the Group is currently organised into four major operating segments.

Reportable segments	**Operations**
DEWA	DEWA is engaged in the generation, transmission and distribution of electricity and water desalination, transmission and distribution to residential, commercial, industrial and government customers in the Emirate of Dubai.
EMPOWER	EMPOWER and its subsidiaries are engaged in the provision of district cooling, maintenance of central cooling plants and manufacturing and sale of insulated pipes.
IWPP	JEIHL and its subsidiaries are engaged in providing full range of services for the development, operation and maintenance of power and water plants under the independent water and power producer (IWPP) model.
Others	The other operations of group include purification and sale of potable water, providing services including IT, and infrastructure, networking and computer system housing services, invest and manage commercial, industrial, retail trade and energy enterprises and implement energy efficiency measures in buildings.

6 Operating segments *(continued)*

(ii) Information about reportable segments and reconciliations of information on reportable segments to the amount reported in the consolidated financial statements

Information related to each reportable segment is set out below. Segment profit or loss before tax is used to measure performance because management believes that this information is the most relevant in evaluating the results of the respective segments relative to other entities that operate in the same industries.

a) Segment wise statement of financial position

	DEWA	**EMPOWER**	**IWPP**	**Others**	**Eliminations**	**Total**
31 December 2024						
	AED'000	**AED'000**	**AED'000**	**AED'000**	**AED'000**	**AED'000**
Segment assets						
Non-current assets	**138,753,384**	**8,823,595**	**36,358,143**	**3,620,938**	**(22,090,252)**	**165,465,808**
Current assets	**11,214,394**	**2,359,451**	**3,735,863**	**5,030,268**	**(3,050,476)**	**19,289,500**
Total assets	**149,967,778**	**11,183,046**	**40,094,006**	**8,651,206**	**(25,140,728)**	**184,755,308**
Segment liabilities						
Non-current liabilities	**45,282,326**	**5,872,991**	**24,540,781**	**71,793**	**(11,936,354)**	**63,831,537**
Current liabilities	**16,088,191**	**1,936,720**	**5,658,609**	**5,617,697**	**(3,732,640)**	**25,568,577**
Regulatory deferral account credit balance	**367,344**	**-**	**-**	**-**	**-**	**367,344**
Total liabilities and regulatory deferral account credit balance	**61,737,861**	**7,809,711**	**30,199,390**	**5,689,490**	**(15,668,994)**	**89,767,458**
Net segment assets	**88,229,917**	**3,373,335**	**9,894,616**	**2,961,716**	**(9,471,734)**	**94,987,850**

	DEWA	EMPOWER	IWPP	Others	Eliminations	Total
31 December 2023						
	AED'000	AED'000	AED'000	AED'000	AED'000	AED'000
Segment assets						
Non-current assets	138,191,333	8,761,136	32,286,973	3,227,245	(20,289,849)	162,176,838
Current assets	11,816,843	967,030	3,090,836	4,497,709	(1,591,479)	18,780,939
Total assets	150,008,176	9,728,166	35,377,809	7,724,954	(21,881,328)	180,957,777
Segment liabilities						
Non-current liabilities	45,058,859	4,871,282	27,433,664	68,208	(15,646,484)	61,785,529
Current liabilities	17,422,633	1,545,883	4,759,462	4,382,218	(1,839,233)	26,270,963
Regulatory deferral account credit balance	199,931	-	-	-	-	199,931
Total liabilities and regulatory deferral account credit balance	62,681,423	6,417,165	32,193,126	4,450,426	(17,485,717)	88,256,423
Net segment assets	87,326,753	3,311,001	3,184,683	3,274,528	(4,395,611)	92,701,354

6 Operating segments *(continued)*

(ii) Information about reportable segments and reconciliations of information on reportable segments to the amount reported in the consolidated financial statements (continued)

b) Segment wise statement of profit or loss and other comprehensive income

31 December 2024	DEWA	EMPOWER	IWPP	Others	Eliminations	Total
	AED'000	AED'000	AED'000	AED'000	AED'000	AED'000
Sale of electricity	20,864,450	-	2,142,267	-	(3,338,343)	19,668,374
Sale of water	5,952,667	-	-	-	(256,558)	5,696,109
District cooling	-	3,239,722	-	-	-	3,239,722
Others	1,931,018	79,918	-	1,830,580	(1,468,370)	2,373,146
Segment revenue	28,748,135	3,319,640	2,142,267	1,830,580	(5,063,271)	30,977,351
Cost of sales	(18,066,334)	(1,917,497)	(1,351,136)	(1,006,396)	3,171,025	(19,170,338)
Gross profit	10,681,801	1,402,143	791,131	824,184	(1,892,246)	11,807,013
Administrative expenses	(3,119,679)	(235,119)	(92,857)	(566,943)	845,356	(3,169,242)
Credit impairment reversal/ (losses)	79,336	17,482	-	(36,458)	32,837	93,197
Other income	1,536,530	7,938	335,980	69,906	(1,356,797)	593,557
Operating profit	9,177,988	1,192,444	1,034,254	290,689	(2,370,850)	9,324,525
Finance income	255,249	54,027	608,351	228,952	(186,742)	959,837
Finance costs	(548,796)	(248,139)	(2,067,097)	(41,489)	771,666	(2,133,855)
Finance (costs)/income – net	(293,547)	(194,112)	(1,458,746)	187,463	584,924	(1,174,018)
Net movement in regulatory deferral account	(167,413)	-	-	-	-	(167,413)
Income tax (expense)/benefit	(703,000)	(90,097)	29,996	(38,762)	52,958	(748,905)
Profit/(loss) for the year after tax	8,014,028	908,235	(394,496)	439,390	(1,732,968)	7,234,189
Other comprehensive income						
Items that will not be reclassified to profit or loss						
Remeasurements of retirement benefit obligations	14,620	3,427	-	-	-	18,047
Items that may be reclassified to profit or loss						
Cash flow hedges – reclassified to profit or loss	-	-	(711,454)	-	-	(711,454)
Cash flow hedges – effective portion of changes in fair value of derivate financial instruments	-	-	1,238,085	-	-	1,238,085
Debt instrument at FVOCI – change in fair value	-	913	-	-	-	913
Related tax	-	(82)	(102,154)	-	-	(102,236)
Other comprehensive income for the year	14,620	4,258	424,477	-	-	443,355
Total comprehensive income for the year	8,028,648	912,493	29,981	439,390	(1,732,968)	7,677,544

6 Operating segments *(continued)*

(ii) Information about reportable segments and reconciliations of information on reportable segments to the amount reported in the consolidated financial statements (continued)

b) Segment wise statement of profit or loss and other comprehensive income (continued)

31 December 2023	DEWA	EMPOWER	IWPP	Others	Eliminations	Total
	AED'000	AED'000	AED'000	AED'000	AED'000	AED'000
Sale of electricity	19,750,705	-	1,896,075	-	(2,969,378)	18,677,402
Sale of water	5,612,782	-	-	-	(213,707)	5,399,075
District cooling	-	3,017,829	-	-	-	3,017,829
Others	1,630,664	56,085	-	1,470,727	(1,073,773)	2,083,703
Segment revenue	26,994,151	3,073,914	1,896,075	1,470,727	(4,256,858)	29,178,009
Cost of sales	(16,982,134)	(1,740,878)	(1,312,135)	(819,753)	2,922,246	(17,932,654)
Gross profit	10,012,017	1,333,036	583,940	650,974	(1,334,612)	11,245,355
Administrative expenses	(2,783,998)	(220,285)	(201,156)	(496,486)	688,459	(3,013,466)
Credit impairment losses	(105,238)	-	-	(20,427)	-	(125,665)
Other income	1,021,159	7,120	80,701	28,260	(486,130)	651,110
Operating profit	8,143,940	1,119,871	463,485	162,321	(1,132,283)	8,757,334
Finance income	311,464	43,593	391,072	177,184	(117,035)	806,278
Finance costs	(531,582)	(220,833)	(1,366,284)	(34,160)	535,694	(1,617,165)
Finance (costs)/income – net	(220,118)	(177,240)	(975,212)	143,024	418,659	(810,887)
Net movement in regulatory deferral account	(104,588)	-	-	-	-	(104,588)
Income tax benefit	-	17,454	-	-	74,448	91,902
Profit / (loss) for the year after tax	7,819,234	960,085	(511,727)	305,345	(639,176)	7,933,761
Other comprehensive income						
Items that will not be reclassified to profit or loss						
Remeasurements of retirement benefit obligations	78,636	7,432	-	-	-	86,068
Items that may be reclassified to profit or loss						
Cash flow hedges – reclassified to profit or loss	-	-	(584,379)	-	-	(584,379)
Cash flow hedges – effective portion of changes in fair value of derivate financial instruments	-	-	352,004	-	-	352,004
Debt instrument at FVOCI – change in fair value	-	1,242	-	-	-	1,242
Other comprehensive income / (loss) for the year	78,636	8,674	(232,375)	-	-	(145,065)
Total comprehensive income/(loss) for the year	7,897,870	968,759	(744,102)	305,345	(639,176)	7,788,696

6 Operating segments *(continued)*

(ii) Information about reportable segments and reconciliations of information on reportable segments to the amount reported in the consolidated financial statements (continued)

c) Other segment information

31 December 2024	**DEWA**	**EMPOWER**	**IWPP**	**Others**	**Eliminations**	**Total**
	AED'000	**AED'000**	**AED'000**	**AED'000**	**AED'000**	**AED'000**
Capital expenditure (property, plant and equipment)	**5,558,878**	**435,999**	**5,381,336**	**414,272**	**(627,648)**	**11,162,837**
Depreciation (property, plant and equipment)	**5,021,064**	**342,332**	**598,955**	**557,767**	**(36,969)**	**6,483,149**

31 December 2023	DEWA	EMPOWER	IWPP	Others	Eliminations	Total
	AED'000	AED'000	AED'000	AED'000	AED'000	AED'000
Capital expenditure (property, plant and equipment)	5,550,286	275,625	2,432,927	137,438	(276,507)	8,119,769
Depreciation (property, plant and equipment)	4,929,502	332,884	449,408	367,027	(35,707)	6,043,114

(iii) Geographic information

Majority of the Group's revenues, profits and assets relate to its operations in Dubai, UAE.

7 Property, plant and equipment

	Land and buildings AED'000	Right-of-use assets AED'000	Generation, desalination and district cooling plants AED'000	Transmission and distribution networks AED'000	Other equipment and assets AED'000	Capital work in progress AED'000	Total AED'000
At 31 December 2023							
Opening net book amount	39,331,768	34,824	33,631,921	50,563,201	697,548	29,770,149	154,029,411
Additions	357	25,153	201,837	430,969	105,230	7,356,223	8,119,769
Transfers	384,133	1,064	20,081,691	3,098,692	205,719	(23,771,299)	-
Transfers to intangible assets (refer note 8)	-	-	-	-	-	(53,671)	(53,671)
Modification of right-of-use assets	-	(75)	-	-	-	-	(75)
Write off (refer note (g) below)	-	-	(114,972)	-	-	-	(114,972)
Disposals, net	(377)	-	(17,261)	(2,283)	(278)	-	(20,199)
Depreciation	(472,185)	(30,249)	(2,585,967)	(2,721,995)	(232,718)	-	(6,043,114)
Closing net book amount	39,243,696	30,717	51,197,249	51,368,584	775,501	13,301,402	155,917,149
At 31 December 2023							
Cost	43,982,776	90,344	75,539,246	81,581,463	3,661,079	13,301,402	218,156,310
Accumulated depreciation	(4,739,080)	(59,627)	(24,341,997)	(30,212,879)	(2,885,578)	-	(62,239,161)
Net book amount	39,243,696	30,717	51,197,249	51,368,584	775,501	13,301,402	155,917,149
At 31 December 2024							
Opening net book amount	**39,243,696**	**30,717**	**51,197,249**	**51,368,584**	**775,501**	**13,301,402**	**155,917,149**
Additions	**1,341**	**30,536**	**196,385**	**290,074**	**44,472**	**10,600,029**	**11,162,837**
Transfers	**220,746**	**-**	**4,974,027**	**3,169,689**	**114,496**	**(8,478,958)**	**-**
Transfers to intangible assets (refer note 8)	**-**	**-**	**-**	**-**	**-**	**(55,902)**	**(55,902)**
Impairment charge	**-**	**-**	**-**	**-**	**-**	**(919)**	**(919)**
Transfer to investment property	**-**	**-**	**-**	**-**	**-**	**(32,370)**	**(32,370)**
Modification of right-of-use assets	**-**	**(575)**	**-**	**-**	**-**	**-**	**(575)**
Write off (refer note (g) below)	**-**	**-**	**(1,488,798)**	**-**	**-**	**-**	**(1,488,798)**
Disposals, net	**(758,653)**	**-**	**(6,989)**	**(3)**	**(922)**	**-**	**(766,567)**
Depreciation	**(384,071)**	**(18,157)**	**(2,975,909)**	**(2,816,601)**	**(288,411)**	**-**	**(6,483,149)**
Closing net book amount	**38,323,059**	**42,521**	**51,895,965**	**52,011,743**	**645,136**	**15,333,282**	**158,251,706**
At 31 December 2024							
Cost	**43,440,279**	**116,412**	**78,254,827**	**85,039,709**	**3,710,901**	**15,333,282**	**225,895,410**
Accumulated depreciation	**(5,117,220)**	**(73,891)**	**(26,358,862)**	**(33,027,966)**	**(3,065,765)**	**-**	**(67,643,704)**
Net book amount	**38,323,059**	**42,521**	**51,895,965**	**52,011,743**	**645,136**	**15,333,282**	**158,251,706**

7 Property, plant and equipment *(continued)*

(a) The Group has engaged in a joint operation pertaining to Emirates National Grid Corporation ("ENGC"). The Group's share in the carrying amount of ENGC's assets as at 31 December 2024 is AED 93 million *(2023: AED 101 million)* and is included under transmission and distribution networks.

(b) During 2008, by way of a Decree issued by H.H. The Ruler of Dubai, all existing plots of land held by the Authority were transferred to the Authority. As a result, the Authority has capitalised the plots of land on the basis of valuations (i.e. valuation based on use limitations) obtained from the Land Department of the Government of Dubai, which is considered the deemed cost and has been treated as a capital contribution by the Government of Dubai.

As per communication from Department of Finance, Government of Dubai, effective 10 March 2022, the new land policy in respect of allotment and granting of lands by the Government of Dubai in the Emirate of Dubai by the Dubai Land Department to the Authority will be in consideration for a rental value of AED 1 per plot per annum for 30 years. This policy shall apply to all future lands granted by the Government of Dubai that will be allotted to the Authority, but not on the existing lands that are currently being governed under the existing regime. The Department of Finance, Government of Dubai and the Authority shall coordinate to take all actions and procedures to procure the issuance of a decree that shall formalize the proposed policy for all future lands.

As at 31 December 2024, disposal relates to the net impact of certain plots of land taken back or replaced by the Government of Dubai.

(c) The carrying value of property, plant and equipment, pledged as collateral on borrowings, amounts to AED 34,604 million *(2023: AED 31,518 million)* (refer note 21).

(d) Capital work in progress mainly comprises construction of additional electricity generation, water desalination facilities, transmission and distribution networks and district cooling facilities.

(e) The capitalised borrowing costs related to construction of electricity and water plants and transmission substations amounted to AED 370 million *(2023: AED 813 million)*, which was calculated using a capitalisation rate of 4.88% *(2023: 4.87%)* (refer note 32).

(f) Right-of-use assets mainly represents vehicles and other equipment as of the reporting date.

(g) A rainstorm and windstorm incident caused damage to certain IPP companies, mainly the Solar Power Plants. Management has assessed the damages and its financial impact on the Group and accordingly written off the damaged assets. The restoration of assets is recorded in capital work in progress. The damages incurred are covered mainly by insurance companies of IPP companies. Since, the expenses related to damages and income from recovery pertains to single event, the amounts have been netted off in profit or loss. Further, the IPP companies were also entitled to business interruption claims which are presented in profit or loss.

7 Property, plant and equipment *(continued)*

(j) Depreciation is allocated as detailed below:

	2024 **AED'000**	2023 AED'000
Cost of sales		
- Generation and desalination expenditure (refer note 29.1)	**3,103,920**	2,813,730
- Transmission and distribution expenditure (refer note 29.2)	**3,084,144**	2,988,699
Administrative expenses (refer note 30)	**295,085**	240,685
	6,483,149	6,043,114

8 Intangible assets

	Computer software AED'000	**Others AED'000**	**Total AED'000**
At 31 December 2023			
Opening net book amount	118,984	352,139	471,123
Additions	21,437	-	21,437
Transfer from property, plant and equipment (refer note 7)	53,671	-	53,671
Amortisation (refer notes 29.1 & 30)	(71,707)	(12,157)	(83,864)
Closing net book amount	122,385	339,982	462,367
At 31 December 2023			
Cost	626,481	364,696	991,177
Accumulated amortisation	(504,096)	(24,714)	(528,810)
Net book amount	122,385	339,982	462,367

8 Intangible assets *(continued)*

	Computer software AED'000	Others AED'000	Total AED'000
At 31 December 2024			
Opening net book amount	**122,385**	**339,982**	**462,367**
Additions	**7,213**	**-**	**7,213**
Transfer from property, plant and equipment (refer note 7)	**55,902**	**-**	**55,902**
Amortisation (refer notes 29.1 & 30)	**(72,626)**	**(12,157)**	**(84,783)**
Closing net book amount	**112,874**	**327,825**	**440,699**
At 31 December 2024			
Cost	**689,596**	**364,696**	**1,054,292**
Accumulated amortisation	**(576,722)**	**(36,871)**	**(613,593)**
Net book amount	**112,874**	**327,825**	**440,699**

(a) Intangible assets of EMPOWER represent rights to charge users that have been acquired and recognised at fair value as of the acquisition date. These assets have a useful life of 30 years.

(b) During the current year, amortisation expense of AED 85 million *(2023: AED 84 million)* is included in cost of sales and administrative expenses (refer notes 29.1 and 30).

9 Interests in other entities

9.1 Material subsidiaries

The Group's material subsidiaries are EMPOWER and Jumeirah Energy International Holdings LLC ("JEIHL").

JEIHL holds investments in Shuaa Energy 1 P.S.C, Shuaa Energy 2 P.S.C, Shuaa Energy 3 P.S.C, Shuaa Energy 4 P.S.C, Noor Energy 1 P.S.C, Hassyan Energy Phase 1 P.S.C, and Hassyan Water Company A P.S.C.

EMPOWER holds investments in Empower Insulated Pipe Systems L.L.C. (formerly Empower Logstor LLC), Palm District Cooling LLC, Palm Utilities LLC, Empower FM LLC, Empower Engineering & Consultancy LLC, Empower Snow LLC, and DXB CoolCo. FZCO.

Refer note 1.

9 Interests in other entities *(continued)*

9.2 Non-controlling interests

Proportion of ownership interests held by non-controlling interests is as follows:

	2024	2023
	%	%
JEIHL		
Shuaa Energy 1 P.S.C	**49**	49
Shuaa Energy 2 P.S.C	**40**	40
Shuaa Energy 3 P.S.C	**40**	40
Shuaa Energy 4 P.S.C	**40**	40
Noor Energy 1 P.S.C	**49**	49
Hassyan Energy Phase 1 P.S.C	**49**	49
Hassyan Water Company A P.S.C	**40**	40
EMPOWER		
Emirates Central Cooling Systems Corporation PJSC (EMPOWER)	**44**	44
Empower FM LLC	**44**	44
Empower Engineering & Consultancy LLC	**44**	44
Palm Utilities LLC	**44**	44
Palm District Cooling LLC (PDC)	**44**	44
Empower Insulated Pipe Systems L.L.C. (formerly Empower Logstor LLC)	**44**	45.7
Empower Snow LLC	**44**	44
DXB CoolCo. FZCO	**52.4**	52.4

The summarised financial information for JEIHL and EMPOWER group before inter-company eliminations is as follows:

Summarised statements of financial position

	JEIHL		**EMPOWER**	
	2024	2023	**2024**	2023
	AED'000	AED'000	**AED'000**	AED'000
Non-current				
Assets	**36,358,143**	32,286,973	**8,823,595**	8,761,136
Liabilities	**(24,540,781)**	(27,433,664)	**(5,872,991)**	(4,871,282)
	11,817,362	4,853,309	**2,950,604**	3,889,854
Current				
Assets	**3,735,863**	3,090,836	**2,359,451**	967,030
Liabilities	**(5,658,609)**	(4,759,462)	**(1,936,720)**	(1,545,883)
	(1,922,746)	(1,668,626)	**422,731**	(578,853)
Net assets (100%)	**9,894,616**	3,184,683	**3,373,335**	3,311,001
Net assets attributable to NCI	**4,218,720**	2,109,303	**1,419,897**	1,394,062

9 Interests in other entities *(continued)*

9.2 Non-controlling interests *(continued)*

Summarised statements of financial position *(continued)*

Other non-material subsidiary includes negative net assets attributable to NCI amounting to AED nil *(31 December 2023: AED 14,254 thousand).*

Summarised statements of profit or loss and other comprehensive income

	JEIHL		EMPOWER	
	2024	2023	**2024**	2023
	AED'000	AED'000	**AED'000**	AED'000
Revenue	**2,142,267**	1,896,075	**3,319,640**	3,073,914
(Loss)/profit for the year after tax	**(394,496)**	(511,727)	**908,235**	960,085
Remeasurements of retirement benefit obligations	**-**	-	**3,427**	1,242
Debt instrument at FVOCI – change in fair value	**-**	-	**913**	7,432
Cash flow hedges – reclassified to profit or loss	**(711,454)**	(584,379)	**-**	-
Cash flow hedges – effective portion of changes in fair value of derivate financial instruments	**1,238,085**	352,004	**-**	-
Related tax	**(102,154)**	-	**(82)**	-
Total comprehensive income/(loss)	**29,981**	(744,102)	**912,493**	968,759
Total comprehensive income/(loss) allocated to non-controlling interests	**719**	(289,761)	**401,316**	423,666
Dividends paid to non-controlling interests	**(11,236)**	4,230	**(374,000)**	374,000

Total comprehensive income/(loss) allocated to non-controlling interests of other non-material subsidiary AED 14,304 thousand *(31 December 2023: AED nil).*

9 Interests in other entities *(continued)*

9.2 Non-controlling interests *(continued)*

Summarised statement of cash flows

	JEIHL		EMPOWER	
	2024	2023	**2024**	2023
	AED'000	AED'000	**AED'000**	AED'000
Net cash inflow from operating activities	**1,249,525**	1,250,133	**1,824,402**	1,391,591
Net cash outflow from investing activities	**(3,922,636)**	(1,667,000)	**(272,121)**	(1,208,743)
Net cash inflow/(outflow) from financing activities	**2,081,601**	329,907	**(154,434)**	(1,117,976)
Net (decrease) /increase in cash and cash equivalents	**(591,510)**	(86,960)	**1,397,847**	(935,128)
Cash and cash equivalents, as at 1 January	**1,189,141**	1,276,101	**538,780**	1,473,908
Cash and cash equivalents, as at 31 December	**597,631**	1,189,141	**1,936,627**	538,780

9.3 Investments accounted for using the equity method

The entities listed below have share capital solely consisting of ordinary shares, which are held by the Group.

Name of the entity	**Country of incorporation**	**Effective % of holding**		**Carrying value**	
		2024	2023	**2024**	2023
		%	%	**AED'000**	AED'000
Utility Management LLC	UAE	**50**	50	**490**	490
Etihad Smart Energy Solutions LLC	UAE	**50**	50	**150**	150
				640	640

All joint ventures are accounted for using the equity method of accounting and are immaterial to the Group individually.

10 Derivative financial instruments

The Group is exposed to interest rate movements on various borrowings maturing between 2023 and 2057. Certain subsidiaries have entered into a series of interest rate swaps for the duration of the borrowings to mitigate the risk of variation in future interest rates. These interest rate swaps were designated as cash flow hedges and were assessed to be highly effective. Unrealised gains of AED 1,238 million *(2023: AED 352 million)* relating to these hedging instruments is included in other comprehensive income. Realised gains during the year amounted to AED 711 million *(2023: AED 584 million)*.

The tables below show a summary of the hedged items, the hedging instruments and their fair values. The notional amounts indicate the amounts outstanding at the year-end.

Description of the hedged item	**Hedging instrument**	**Notional amount AED'000**	**Positive fair value AED'000**	**Negative fair value AED'000**
2024				
Interest payments on floating rate loans	Interest rate swap	**24,905,758**	**2,097,312**	**6,393**
2023				
Interest payments on floating rate loans	Interest rate swap	21,183,952	1,565,267	3,732

The following table presents the Group's derivative assets and liabilities that are measured at fair value:

31 December 2024	**Level 1 AED'000**	**Level 2 AED'000**	**Level 3 AED'000**	**Total AED'000**
Assets measured at fair value				
Derivative financial instruments (non-current portion)	**-**	**1,719,527**	**-**	**1,719,527**
Derivative financial instruments (current portion)	**-**	**377,785**	**-**	**377,785**
Liabilities measured at fair value				
Derivative financial instruments (non-current portion)	**-**	**6,217**	**-**	**6,217**
Derivative financial instruments (current portion)	**-**	**176**	**-**	**176**

10 Derivative financial instruments *(continued)*

31 December 2023	Level 1 AED'000	Level 2 AED'000	Level 3 AED'000	Total AED'000
Assets measured at fair value				
Derivative financial instruments (non-current portion)	-	980,417	-	980,417
Derivative financial instruments (current portion)	-	584,850	-	584,850
Liabilities measured at fair value				
Derivative financial instruments (non-current portion)	-	3,732	-	3,732

Interest rate swaps were measured primarily using valuations provided by the financial institutions based on the observable spot exchange rates and the yield curves of the respective swap contracts and were categorised in Level 2 hierarchy.

Fair value of cash and cash equivalents, trade receivables, trade payables, other current assets and liabilities are considered to approximates their carrying amount except derivatives, which are carried at fair value and fall into Level 2 of the fair value hierarchy.

11 Financial assets at fair value through other comprehensive income

	2024 **AED'000**	2023 AED'000
At the beginning of the year	**54,153**	52,911
Interest	**643**	-
Fair value adjustment during the year	**913**	1,242
At the end of the year	**55,709**	54,153

Financial assets at fair value through other comprehensive income pertains to an investment in Tier 1 Capital Certificates ("the Bonds") issued at their par value. The Bonds are listed perpetual instruments and carry non-cumulative interest at a rate of 6% per annum payable every six months at the discretion of the issuer. The Group has classified them as financial assets at fair value through other comprehensive income under IFRS 9 as the Bonds are not held for trading.

During the current year, gain recognised in other comprehensive income amounted to AED 0.9 million *(2023: gain of AED 1.2 million)*.

12 Investment properties

	2024	2023
	AED'000	AED'000
Investment properties	**118,015**	85,645

The movement in investment property is as follows:

	2024	2023
	AED'000	AED'000
At the beginning of the year	**85,645**	72,859
Reclassification from capital work in progress (refer note 7)	**32,370**	-
Addition during the year	**-**	12,786
At the end of the year	**118,015**	85,645

The investment properties are subsequently measured at cost.

The Group started construction of its head quarter project in 2021. The project consists of two towers (residential tower and office tower) with common area and retail outlets. The Group intends to occupy office tower for its own use and is classified as property, plant and equipment (refer note 7) which is expected to be completed by second quarter of 2025. The residential tower is complete, and the management intends to lease.

During the year ended 31 December 2024, management revisited its plan of occupation of office tower and concluded to lease three floors for commercial use. As a result, the carrying amount of these floors and related areas were transferred to investment properties from property, plant and equipment (refer note 7).

The investment property includes Land amounting to AED 2.5 million *(2023: AED 2.5 million).*

The investment property is carried at cost and its fair value approximates to AED 180 million. It is valued by qualified independent property valuation firms based on income method and the significant input is rent per square feet.

The fair value stated is determined using valuation methods with parameters not based exclusively on observable market data (Level 3). Rental income recognised during the year was AED nil in profit or loss *(2023: AED nil)*.

13 Income tax

a) Amounts recognised in profit or loss

The Group's applicable tax rate is the income tax rate of 9% for the United Arab Emirates.

	2024 AED'000	2023 AED'000
Current tax expense		
Current year	**(853,509)**	-
Deferred tax credit		
Origination and reversal of temporary differences	**104,604**	91,902
Total tax (expense)/credit	**(748,905)**	91,902

On 9 December 2022, the UAE Ministry of Finance released the Federal Decree-Law No. 47 of 2022 on the Taxation of Corporations and Businesses (the Law) to enact a Federal corporate tax (CT) regime in the UAE. The CT regime is effective for accounting periods beginning on or after 1 June 2023.

The Cabinet of Ministers Decision No. 116/2022 effective from January 2023, has confirmed the threshold of income over which the 9% tax rate would apply, and the Law is considered to be substantively enacted. A rate of 9% applies to taxable income exceeding AED 375,000. A rate of 0% applies to taxable income not exceeding AED 375,000.

As at 31 December 2024, the BEPS Pillar Two was not considered to be substantively enacted from the perspective of IAS 12 – Income Taxes since the corresponding regulations/clarifications were yet to be prescribed.

Since the corporate tax was introduced only recently, this may create tax risks in UAE that are more significant than in other countries.

b) Amounts recognised in other comprehensive income:

	2024			**2023**		
	Before tax	**Tax expense**	**Net of tax**	**Before tax**	**Tax expense**	**Net of tax**
Items that will not be reclassified to profit or loss						
Remeasurements of retirement benefit obligations	**18,047**	**-**	**18,047**	86,068	-	86,068
Items that are or may be reclassified subsequently to profit or loss						
Debt instrument at FVOCI – change in fair value	**913**	**(82)**	**831**	1,242	-	1,242
Cash flow hedges – effective portion of changes in fair value of derivate financial instruments	**1,238,085**	**(102,154)**	**1,135,931**	352,004	-	352,004
	1,238,998	**(102,236)**	**1,136,762**	353,246	-	353,246

13 Income tax *(continued)*

c) Reconciliation of Effective Tax Rate

	2024		2023	
	AED'000	**%**	AED'000	%
Profit before tax	**7,983,094**	**-**	7,841,859	-
Tax using the domestic tax rate (9%)	**718,478**	**9.00%**	-	-
Deferred tax not recognised on losses of a subsidiary	**7,838**	**0.10%**	-	-
Permanent difference on account of expenses disallowed	**29,050**	**0.36%**	-	-
Recognition of tax not recognised on deductible temporary differences in prior years	**(7,559)**	**(0.09%)**	-	-
Others	**1,098**	**0.01%**		-
Deferred tax relating to enactment of UAE Corporate Tax	**-**	**-**	(91,902)	(1.17%)
Total	**748,905**	**9.38%**	(91,902)	(1.17%)

The Group's effective tax rate for the year ended 31 December 2024 was 9.38% *(2023: (1.17%))*.

d) Consolidated statement of financial position

	2024	2023
	AED'000	AED'000
Income tax liability at the beginning of the year	**-**	-
Charge for the year	**(853,509)**	-
Paid during the year	**-**	-
Income tax liability at the end of the year	**(853,509)**	-

	Net	
	2024	2023
	AED'000	AED'000
Net deferred tax assets at the beginning of the year	**91,902**	-
Benefit for the year	**2,368**	91,902
Net deferred tax assets at the end of the year	**94,270**	91,902
Disclosed as:		
Deferred tax assets	**207,401**	103,899
Deferred tax liabilities	**(113,131)**	(11,997)

13 Income tax *(continued)*

Deferred taxes analysed by type of temporary difference

Differences between IFRS Accounting Standards and statutory taxation regulations in the United Arab Emirates give rise to temporary differences between the carrying amount of assets and liabilities for financial reporting purposes and their tax bases. The tax effect of the movements in these temporary differences were not material to the consolidated financial statements.

During the current year, further deferred income tax credit/assets and deferred tax expense/liabilities were recognised, which mainly relate to:

- Deferred tax asset of AED 53 million relates to tax impact on adjustments being made in the consolidated financial statements, which resulted from temporary differences in the carrying amount of property, plant and equipment compared with tax base of subsidiaries; not part of the same tax group. The difference between the opening balance and closing balance has been recognised in profit or loss in the consolidated financial statements.

- Deferred tax asset of AED 53 million pertaining to tax impact on losses of certain subsidiaries. These deferred tax assets were recognised in standalone books of those subsidiaries with the expectation of realisation and assurance beyond any reasonable doubt that future taxable income would be sufficient to allow the benefit of the loss to be realised. This has been recognised in profit or loss in the consolidated financial statements.

- Deferred tax liabilities of AED 102 million relating to changes in fair value of derivative financial instruments, which has been recognised in other comprehensive income in the consolidated financial statements.

14 Other assets

	2024	2023
	AED'000	AED'000
Advances to suppliers	**1,560,063**	1,440,183
Prepayments	**127,469**	172,977
	1,687,532	1,613,160
Less: non-current portion	**(1,283,505)**	(1,131,285)
Current portion	**404,027**	481,875

15 Financial assets

15.1 Financial assets at fair value through profit or loss

	2024 **AED'000**	2023 AED'000
Investment in equity instruments	**206,017**	155,663
Investment in debt instruments	**25,466**	10,000
	231,483	165,663
Less: non-current portion	**(206,017)**	(155,663)
Current portion	**25,466**	10,000

15.2 Other financial assets at amortised cost

	2024 **AED'000**	2023 AED'000
UAE National Bonds and Sukuk Bonds	**1,583,012**	1,264,731
Investment in debt instruments	**1,296,834**	1,516,166
Other receivables	**4,569,949**	3,332,845
Less: provision for impairment	**(143,546)**	(139,681)
	7,306,249	5,974,061
Less: non-current portion	**(3,179,039)**	(3,285,620)
Current portion	**4,127,210**	2,688,441

Other financial assets at amortised cost include investments in UAE National Bonds and Sukuk Bonds amounting to AED 1,583 million *(31 December 2023: AED 1,265 million)*, which have a maturity of 12 months from the date of purchase. UAE National Bonds and Sukuk Bonds carry an interest rate ranging from 4.7% to 6 % per annum *(2023: 3.75% to 5.7% per annum).*

As at 31 December 2024, investment in debt instruments and other receivables amounting to AED 5,867 million *(31 December 2023: AED 4,849 million)* are not impaired except for an amount of AED 144 million *(2023: AED 140 million)*. The carrying amount of the Group's other receivables is primarily denominated in AED and approximates its fair value.

Other receivables mainly include financial assets under IFRIC 12, insurance receivables, housing and sewerage fee receivable on behalf of a related party and interest receivable on bank deposits.

In the previous year, in EMPOWER, there was an addition of financial asset from Dubai Aviation City Corporation DACC (grantor) under IFRIC 12 as a result of acquisition of DXB CoolCo. FZCO (refer note 39). The financial asset was initially recognised at fair value and subsequently measured at amortised cost. The fair value is determined using the discounted cash flow techniques, the inputs into the valuation techniques includes contractual cash flows and interest rates.

Refer notes 39.

16 Inventories

	2024	2023
	AED'000	AED'000
Consumables and others	**834,708**	634,349
Less: provision for obsolete inventories	**(239,133)**	(228,424)
	595,575	405,925
Fuel	**964,115**	995,230
	1,559,690	1,401,155

Movements in the provision for obsolete inventories were as follows:

	2024	2023
	AED'000	AED'000
At 1 January	**228,424**	220,021
Charge for the year	**10,709**	8,403
At 31 December	**239,133**	228,424

17 Trade receivables

	2024	2023
	AED'000	AED'000
Trade receivables	**2,341,826**	2,893,137
Accrued revenue	**1,281,482**	1,141,233
Less: provision for impairment of receivables	**(515,936)**	(614,312)
Trade receivables and accrued revenue – net	**3,107,372**	3,420,058
Less: non-current portion	**(3,550)**	-
Current portion	**3,103,822**	3,420,058

The Group holds trade receivables with the objective to collect the contractual cash flows and therefore measures these receivables subsequently at amortised cost using the effective interest rate method. Information about methods and assumptions used in determining the impairment loss has been explained in note 3.7.

The Group considers the credit risk on the outstanding balances from government customers to be low at the reporting date, as these financial assets have low risk of default, the counterparties have strong capacity to meet their contractual cash flow obligations in the near term and adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the counterparties to fulfil its contractual cash flow obligations.

17 Trade receivables *(continued)*

Impairment of trade receivables:

The movement in the provision for impairment of trade receivables is as follows:

	2024	2023
	AED'000	AED'000
At 1 January	**614,312**	567,073
Write off during the year	**(440)**	-
(Reversal)/charge during the year	**(97,936)**	47,239
31 December	**515,936**	614,312

The carrying amount of the Group's trade receivables is primarily denominated in AED and approximates its fair value.

The Group primarily supplies electricity and water and cooling services to a diversified customer base and the standard credit period applied to all customers for electricity and water is 14 days and cooling services is 21 days, from the date of invoice.

18 Short-term deposits

	2024	2023
	AED'000	AED'000
Term deposits with banks	**3,595,524**	4,902,762
Less: provision for impairment on short-term deposits	**(9,247)**	(8,373)
	3,586,277	4,894,389

Term deposits amounting to AED 3,596 million *(2023: AED 4,903 million)* carries an interest ranging from 1.75% to 5.85% per annum *(2023: 1.25% to 6%)*.

Term deposits up to AED 2,960 million *(2023: AED 2,800 million)* have been kept as lien against borrowings by one of the subsidiaries'.

19 Cash and cash equivalents

	2024	2023
	AED'000	AED'000
Current and call accounts	**4,562,831**	4,789,922
Short-term deposits	**1,541,867**	509,800
Cash on hand	**525**	449
	6,105,223	5,300,171

19 Cash and cash equivalents *(continued)*

Cash and cash equivalents include AED 1,193 million *(2023: AED 1,327 million)* in foreign currencies. The majority of these foreign currency balances are denominated in USD. These balances are held for settlement of existing and anticipated liabilities denominated in foreign currencies.

Cash and cash equivalents also include AED 1,717 million *(2023: AED 2,206 million)* of cash collected by local banks and government collection agencies on behalf of the Group.

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

	2024	2023
	AED'000	AED'000
Cash and cash equivalents	**6,105,223**	5,300,171
Bank overdrafts (refer note 21)	**(731,594)**	(641,854)
Cash and cash equivalents for the purpose of consolidated statement of cash flow	**5,373,629**	4,658,317

Cash and cash equivalents are subject to the impairment requirements of IFRS 9, the identified impairment loss was immaterial.

20 Equity

a) Share capital

In prior years, an amount of AED 500 million had been transferred to share capital account from Government of Dubai account. The Board of Directors of the Authority had authorised the breakup of the share capital into 50 billion shares of AED 0.01 each. All shares of the Authority shall rank equally with one another in all aspects. Hence, the share capital of the Authority consists of authorised and paid-up capital of AED 500 million as of 31 December 2024.

b) Capital contribution

This account represents amounts contributed by the Government of Dubai (both in kind and cash) as an Owner of the Group since the incorporation of the Group.

c) Statutory reserve

As required by applicable law and Articles of Association of the Authority and certain subsidiaries, 5% of the net profit for each period has been transferred to a statutory reserve. Such transfers to reserves may cease when the statutory reserve equals to half of the share capitals. The reserve is not available for distribution except as stipulated by the law. The statutory reserve of the Authority has already reached the 50% threshold and hence no further transfers were made to statutory reserves.

20 Equity *(continued)*

d) Hedging reserve

The hedging reserve primarily represents the fair value of derivatives which are part of effective cash flow hedging relationships at year end. As the derivatives are held for hedging purposes as defined by IFRS 9, their fair value movements are retained in other comprehensive income instead of being charged to profit or loss during the year. The fair value movements will be adjusted in other comprehensive income in the same period as the corresponding hedged transaction.

21 Borrowings

	2024 AED'000	2023 AED'000
Non-current		
Others (refer (i) below)	**28,828,863**	27,341,537
Current		
Bank overdrafts (refer note 19)	**731,594**	641,854
Others (refer (i) below)	**6,612,319**	6,510,824
Term loan (refer (ii) below)	**-**	4,393,351
	7,343,913	11,546,029
	36,172,776	38,887,566

Borrowings are denominated in the following currencies:

	2024 AED'000	2023 AED'000
US Dollars	**26,811,238**	26,505,245
UAE Dirham	**9,361,538**	12,382,321
	36,172,776	38,887,566

The movement in bank borrowings during the year is as follows:

	2024 AED'000	2023 AED'000
At 1 January	**38,887,566**	40,689,829
Drawdown during the year – long term facilities	**7,502,808**	2,367,440
Drawdown during the year – bank overdrafts	**89,740**	76,735
Interest expense during the year	**2,128,854**	1,617,044
Interest capitalised during the year	**370,015**	812,661
Interest paid during the year	**(2,498,869)**	(2,429,705)
Principal repayment during the year	**(8,858,382)**	(4,298,320)
Conversion of loan to equity	**(1,370,592)**	-
Arrangement fees charged to profit or loss	**59,890**	54,944
Unamortized arrangement fees	**(138,254)**	(3,062)
At 31 December	**36,172,776**	38,887,566

21 Borrowings *(continued)*

The movement in deferred borrowings cost during the year is as follows:

	2024	2023
	AED'000	AED'000
At January	**670,341**	722,223
Arrangement fees charged to profit or loss	**(59,890)**	(54,944)
Unamortized arrangement fees	**138,254**	3,062
At 31 December	**748,705**	670,341

The Group has secured borrowings amounting to AED 27,530 million *(2023: AED 29,360 million)* and unsecured borrowings amounting to AED 8,643 million *(2023: AED 9,528 million)*.

Borrowings are secured by pledge of assets (refer note 7 (c)) and sovereign guarantees issued by Department of Finance (DoF), Government of Dubai.

(i) Others

Shuaa Energy 1 P.S.C had an interest free equity bridge loan. The equity bridge loan amounting AED 73 million was converted to subordinated loan by the shareholder, ACWA Power Solar Limited on 29 March 2018 and an amount of AED 36 million is outstanding *(2023: AED 38 million)*.

Shuaa Energy 1 P.S.C had a commercial facility from a syndicate of banks amounting to AED 470 million. During the current year, Shuaa Energy 1 P.S.C repaid the entire amount of loan as part of a Refinancing Arrangement.

Shuaa Energy 1 P.S.C had an Istisna-Ijara facility amounting to AED 379 million. During the current year, Shuaa Energy 1 P.S.C repaid the entire amount of loan as part of a Refinancing Arrangement.

Shuaa Energy 1 P.S.C issued AED 239 million commission rate senior notes on 25 November 2024, which was fully purchased by the Hong Kong Mortgage Corporation Limited (Note Purchaser). The Notes are due on 30 September 2034 and is payable in quarterly instalments beginning from December 2024. An amount of AED 237 million is outstanding as at 31 December 2024.

Shuaa Energy 1 P.S.C entered into a commercial facility agreement with Abu Dhabi Commercial Bank PJSC on 25 November 2024 for a facility amount of AED 551 million and has fully drawn the amount during the year. The facility is repayable in quarterly instalments beginning from December 2024. An amount of AED 547 million is outstanding as at 31 December 2024.

Shuaa Energy 2 P.S.C has conventional facility amounting to AED 1,776 million *(2023: AED 1,848 million)* from a syndicate of banks. The rate of interest is the percentage rate per annum which is the aggregate of the applicable margin and the Secured Overnight Financing Rate ("SOFR") starting 1 June 2023, prior to which the rate of interest was the percentage rate per annum which was the aggregate of the applicable margin and Synthetic LIBOR.

21 Borrowings *(continued)*

(i) Others *(continued)*

Shuaa Energy 2 P.S.C has an Islamic facility from a syndicate of banks amounting to AED 465 million *(2023: AED 484 million)* carrying an interest rate, which is the aggregate of the applicable margin and the Secured Overnight Financing Rate ("SOFR").

Shuaa Energy 2 P.S.C has a financing agreement of AED 44 million *(2023: AED 44 million)* with a bank. The rate of interest is the percentage rate per annum which is the aggregate of the applicable margin and the Secured Overnight Financing Rate (SOFR). The loan is repayable by December 2025.

As at 31 December 2024, the financial covenant (Debt Service Cover ratio) of Shuaa Energy 2 P.S.C for conventional and Islamic facility has not been met due to damage to solar plant that occurred as a result of a weather incident in August 2023. Shuaa Energy 2 P.S.C obtained a waiver from its financiers before the end of current year whereby they agreed to provide a waiver of the financial covenant and hence the relevant portion of facility has been reclassified as non-current.

Shuaa Energy 3 P.S.C has a loan amounting to AED 1,451 million *(2023: AED 1,515 million)* from a syndicate of banks. The rate of interest is the percentage rate per annum which is the aggregate of the applicable margin and the Secured Overnight Financing Rate ("SOFR"). The loan repayment is scheduled from September 2023 until March 2047.

Shuaa Energy 3 P.S.C has equity bridge loans of AED 147 million *(2023: AED 147 million)* carrying an interest rate of SOFR plus applicable margin per annum. The final maturity date is the date falling one hundred and twenty (120) months after the date of Financial Close.

Shuaa Energy 3 P.S.C has a working capital financing agreement of AED 37 million *(2023: AED 37 million)* with a bank carrying an interest rate, which is the aggregate of the applicable margin and the Secured Overnight Financing Rate ("SOFR").

Hassyan Energy Phase 1 P.S.C has a commercial facility of AED 7,612 million *(2023: AED 7,923 million)* from a syndicate of banks carrying an effective interest rate of 4.19% per annum for the year.

Hassyan Energy Phase 1 P.S.C has a mezzanine facility of AED 433 million *(2023: AED 433 million)* carrying an effective rate interest of 6.64% per annum. The loan is repayable beginning from 31 May 2041 up to 29 February 2048.

Hassyan Energy Phase 1 P.S.C has subordinated advances of AED 560 million *(2023: AED 536 million)*. The loans are interest free.

Hassyan Energy Phase 1 P.S.C has a short-term financing facility of AED 430 million *(2023: AED 441 million)* with a commercial bank.

Noor Energy 1 P.S.C has an equity bridge loan amounting to AED 1,427 million *(2023: AED 2,795 million)* carrying an interest rate of SOFR plus applicable margin per annum. The final maturity date is the earlier of the date falling on the second anniversary of the Commercial Operation Date and 22 January 2025.

21 Borrowings *(continued)*

(i) Others *(continued)*

Noor Energy 1 P.S.C has a commercial facility of AED 9,099 million *(2023: AED 9,242 million)* from a syndicate of banks carrying an effective interest rate of 3.08% per annum for the current year. The loan is repayable beginning from 31 July 2023 up to 22 December 2045.

Noor Energy 1 P.S.C has a mezzanine facility of AED 682 million *(2023: AED 682 million)* from various banks. The loan repayment will commence from 31 March 2046 and ending on 31 December 2047. The effective interest rate for the year was 8.23% per annum. The utilised portion of the facility amounted to AED 682 million *(2023: AED 682 million)*.

Noor Energy 1 P.S.C has a working capital financing agreement of AED 147 million *(2023: AED Nil)* with a bank.

EMPOWER has a loan amounting to AED 5,500 million *(2023: AED 4,500 million)* carrying an interest rate which is the aggregate of the applicable margin and EIBOR. On 26 September 2024, EMPOWER exchanged certain borrowing facilities with one of its existing lenders which resulted in the changes to the terms of the facilities such as Extension of the maturity date from 2025 to 2027, Reduction in interest margin and change in the nature of the facilities from term loans to revolving facilities. EMPOWER's management has considered the qualitative changes and concluded that those changes are substantial, and as such the exchange of the loan with the existing lender results in a new loan with substantially different terms compared to the original loan. Therefore, the arrangement was accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability, at fair value.

Mai Dubai LLC has a bank overdraft amounting to AED 517 million *(2023: AED 516 million)* carrying an interest rate of 0.5% per annum.

Data Hub Integrated Solutions LLC (MORO) has a bank overdraft amounting to AED 1 million *(2023: AED nil)* carrying an interest rate of EIBOR + 0.70% per annum.

Etihad Clean Energy Development Company LLC has a bank overdraft amounting to AED 214 *(2023: AED 125 million)* carrying an interest rate of EIBOR + 0.70% per annum.

Dubai Green Fund Investments LLC has a loan amounting to AED 3,132 million *(2023: AED 2,832 million)* carrying an interest rate of 0.9% per annum. This borrowing has been secured by lien over deposits with the bank to extent of AED 2,960 million.

Al Etihad Energy Services Company LLC had a loan amounting to AED 23 million which was fully repaid in 2024.

Shuaa Energy 4 P.S.C has a loan amounting to AED 1,509 million *(2023: AED nil)* from a syndicate of banks. The rate of interest is the percentage rate per annum which is the aggregate of the applicable margin and the Secured Overnight Financing Rate ("SOFR"). The loan is repayable in quarterly variable instalments commencing from 31 August 2027 till 28 February 2057.

21 Borrowings *(continued)*

(i) Others *(continued)*

Hassyan Water Company A P.S.C. has a commercial facility of AED 2,234 million from various banks. Drawdowns can be made from the facility as and when necessary. The loan is repayable commencing from 30 November 2027 and ending on 31 August 2056. The effective interest rate for the period was 5.43% per annum. The utilized portion of the facility amounted to AED 544 million.

Hassyan Water Company A P.S.C. also has a Istisna-Ijara facility of AED 179 million from Boubyan bank. Drawdowns can be made from the facility as and when necessary. The loan is repayable commencing from 30 November 2027 and ending on 31 August 2056. The effective interest rate for the period was 5.43% per annum. The utilized portion of the facility amounted to AED 45 million.

Hassyan Water Company A P.S.C. also has a Murabaha facility of AED 275 million from Saudi Exim bank. Drawdowns can be made from the facility as and when necessary. The loan is repayable commencing from 30 November 2027 and ending on 30 November 2053. The effective interest rate for the period was 4.98% per annum. The utilized portion of the facility amounted to AED 68 million.

Hassyan Water Company A P.S.C. has secured a working capital facility from Emirates NBD Bank P.J.S.C, with the agreement formalized on 28 February 2024. The facility allows for a maximum borrowing capacity of AED 73 million, of which Hassyan Water Company A P.S.C has currently utilized AED 17 million. The effective interest rate for the period was 6.33% per annum. The loan is repayable within one year. This facility carries an interest rate structured as a 1.30% margin added to the Compounded Reference Rate applicable on the respective day.

Hassyan Water Company A P.S.C. has equity bridge loan with EIG, with the total facility amounts to AED 119 million. The final maturity date is set at 2 years after the Scheduled Project Commercial Operation Date which is 15 February 2027. Equity bridge loan bears an interest rate of 0.75% per annum plus daily non-cumulative compounded reference rate on the respective day. The effective interest rate for the period was 6.044% per annum. The facility was fully drawn during the period.

Hassyan Water Company A P.S.C. has equity bridge loan with ACWA with the total facility amounts to AED 124 million. The final maturity date is the date falling sixty-six (66) months after the CP confirmation date. CP confirmation date is the date on which the Investment Agent gives such confirmation. The equity bridge loan bears an interest rate of 0.75% per annum plus compounded reference rate per annum. The effective interest rate for the period was 6.15% per annum. The facility was fully drawn during the period.

At 31 December 2024, the Group had available undrawn borrowing facilities of AED 5,455 million *(2023: AED 2,871 million)* from various lenders. The Group has complied with the financial covenants of its borrowing facilities during the 2024 and 2023 reporting periods.

The fair values of other loans are not materially different to their carrying amounts since the interest payable on these borrowings is close to current market rates.

21 Borrowings *(continued)*

(ii) Term loan

During the prior years, the Authority had obtained a long-term Shariah compliant loan of AED 10,000 million from a commercial bank. The loan carried profit rate at 1-month EIBOR + margin. The term of the loan was five years and was repayable in full upon its maturity.

During the previous year, the Authority renegotiated the loan terms with the bank and has amended the original loan agreement, whereby, the repayment term and commercial rate on loan have been revised. The revision in repayment terms has resulted in the loan being reclassified from non-current liabilities to current liabilities and in return the Authority has negotiated better profit rate.

During the current year, the Authority has fully repaid AED 4,400 million *(31 December 2023: AED 3,900 million)* of the loan.

The Group takes proactive measures to ensure, as far as possible, that it will always have sufficient liquidity to meet its financial obligations. The Group has positive operating cash flows amounting to AED 17,435 million for the year ended 31 December 2024, cash and cash equivalents of AED 9,692 million including short term deposits and undrawn facilities of AED 5,455 million (AED 1,268 million pertains to DEWA and AED 4,187 million pertains to IWPP) as at 31 December 2024 to finance the Group's operations and mitigate the effects of fluctuations in cash flows. The Group monitors the sufficiency of funds using cash flow budgeting in which it considers the cash outflows (including impact of capital commitments), the funds that would be generated from the operations and other available sources of funding.

As of 31 December 2024, the Group was compliant with financial and non-financial covenants, except as disclosed above.

22 Retirement benefits obligations

	2024	2023
	AED'000	AED'000
Provision for employees' end of service benefits (refer note 22.1)	**1,058,403**	965,340
Provision for pension (refer notes 22.2.1 & 22.2.2)	**57,497**	65,199
	1,115,900	1,030,539
Less: non-current portion	**(1,109,622)**	(1,020,240)
Current portion (refer note 25)	**6,278**	10,299

The charge for the year grouped within the employee benefit expense in profit or loss includes current service cost and interest cost. Actuarial profit during the year is recognised in other comprehensive income.

22 Retirement benefits obligations *(continued)*

22.1 Provision for employees' end of service benefits

In 2024 and 2023, an actuarial valuation was performed using the projected unit credit method to ascertain the present value of the obligation relating to the end of service benefits payable to expatriate employees in accordance with the Dubai Government Human Resources Management Law No. 27 of 2006. Under this method, an assessment has been made of an employee's expected service life with the Group and the expected basic salary at the date of leaving service. The obligation for end of service benefits is not funded. The principal actuarial assumptions used were as follows:

- Expected salary increase of 4.83% per annum *(2023: 5.16% per annum);*
- Discount rate used to determine the present value of the obligation was 5.83% per annum *(2023: 6.16% per annum)*; and
- The average rate of mortality and withdrawal is not significantly different from the trends noted at the valuation date. The mortality rates are based on Employers Groups reinsurance rates. Withdrawal rates assumed the age wise withdrawal rates that incorporates the experience of DEWA in terms of the overall withdrawals during the last three years.

The rate used for discounting the employees' end of service benefits should be based on market yields on high quality corporate bonds. In countries where there is no deep market for such bonds, the market yields on government bonds should be used. In the UAE, there is no deep market for corporate bonds and no market for government bonds and, therefore, the discount rate has been estimated using the High Quality Market (HQM) yield rate at the appropriate duration as a proxy with adjustment for country risk premium.

As a result, the Group has recognised re-measurement gains of AED 18 million *(2023: AED 86 million)* in other comprehensive income.

Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the obligation for end of service benefits as the amounts shown below:

	2024		2023	
	AED'000 Increase	**AED'000 Decrease**	AED'000 Increase	AED'000 Decrease
Salary growth (+/- 0.5%)	**1,018,486**	**911,186**	934,061	831,890
Discount rate (+/- 0.5%)	**915,835**	**1,013,770**	839,807	929,668
Life expectancy (increase/ decrease by 1 year)	**964,596**	**964,403**	883,383	883,207

Although the analysis does not take account of the full distribution of cash flows expected under the benefit, it does provide an approximation of the sensitivity of the assumptions shown.

22 Retirement benefits obligations *(continued)*

22.1 Provision for employees' end of service benefits *(continued)*

The charge for the year included within employee benefit expense in profit or loss includes current service cost and interest cost. Actuarial gain during the year is recognised in other comprehensive income.

The expected gratuity expense for the next one year commencing 1 January 2025 works out to AED 131 million *(2024: AED 134 million)*. These amounts are the sum of current service cost and net interest cost/(income).

Movements in the provision for end of service benefits are analysed below:

	2024 **AED'000**	2023 AED'000
At 1 January	**965,340**	948,333
Charge for the year (refer note 34)	**149,487**	148,384
Re-measurement gains	**(18,047)**	(86,068)
Payments made during the year	**(38,377)**	(45,309)
At 31 December	**1,058,403**	965,340

The provision made during the year for end of service benefits and recognised in profit or loss is analysed as follows:

	2024 **AED'000**	2023 AED'000
Current service cost	**94,407**	96,833
Interest cost	**55,080**	51,551
	149,487	148,384

Component of defined benefit costs (re-measurement) recognised in other comprehensive income

	2024 **AED'000**	2023 AED'000
Gain due to change in experience adjustments	**14,620**	78,640

During the current year, other re-measurement gain pertains to subsidiary amounted to AED 3.4 million *(2023: AED 7.4 million)*.

22 Retirement benefits obligations *(continued)*

22.1 Provision for employees' end of service benefits *(continued)*

Component of defined benefit costs (re-measurement) recognised in other comprehensive income (continued)

Maturity profile

	2024	2023
	AED'000	AED'000
0 to 1 year	**102,305**	120,252
1 to 5 years	**218,141**	152,431
5 years and above	**1,909,743**	1,695,865
	2,230,189	1,968,548

The employee profile of the Group is as detailed below:

	2024	2023
Average age (years)	**42.97**	42.01
Average past service (years)	**14**	13
Average entry age (years)	**28.76**	28.65

22.2 Provision for pension

22.2.1 Provision for pensions (for eligible UAE national employees who retired before 1 January 2003)

In 2024 and 2023, an actuarial valuation was performed using assumptions based on market expectations, at the reporting date, for the period over which the obligations are to be settled for eligible UAE national employees who retired before 1 January 2003. The obligation for end of service benefits is not funded. The principal actuarial assumptions used were as follows:

- Discount rate used to determine the present value of the obligation was 5.76% per annum *(2023: 5% per annum);*
- The average rate of mortality and withdrawal is not significantly different from the trends noted at the valuation date. The mortality rates are based on reinsurance rates; and
- Administrative expenses would be borne by the Authority and accordingly no allowance for these have been considered for the valuation.

The rate used to discount post-employment benefit obligations should be determined by reference to market yields on high quality corporate bonds. In countries where there is no deep market for such bonds, the market yields on government bonds should be used. In the UAE, there is no deep market for corporate bonds and no market for government bonds and, therefore, the discount rate has been estimated using the High Quality Market (HQM) yield curve at the appropriate duration rate as a proxy with adjustment for country risk premium.

22 Retirement benefits obligations *(continued)*

22.2 Provision for pension *(Continued)*

22.2.1 Provision for pensions (for eligible UAE national employees who retired before 1 January 2003) *(continued)*

The movements in the provision for pensions are analysed below:

	2024 AED'000	2023 AED'000
At 1 January	**54,900**	62,160
Payments made during the year	**(3,680)**	(7,260)
At 31 December	**51,220**	54,900

22.2.2 Provision for pensions (for eligible UAE national employees from 1 January 2003)

Effective 1 January 2003, the Group joined a defined contribution plan operated by the Federal Pension General and Social Security Group for its active eligible UAE national employees in accordance with the provision of Federal Law No. (7) of 1999 relating to Pension and Social Security Law. The movements in the provision for pensions are analysed below:

	2024 AED'000	2023 AED'000
At 1 January	**10,299**	11,928
Charge for the year (refer note 34)	**130,961**	123,226
Payments made during the year	**(134,983)**	(124,855)
At 31 December	**6,277**	10,299

23 Lease liabilities

	2024 AED'000	2023 AED'000
At 1 January	**32,247**	36,412
Additions during the year	**30,536**	25,153
Modification	**(664)**	(98)
Interest paid on lease liabilities	**(232)**	(104)
Principal paid of lease liabilities	**(17,958)**	(29,116)
At 31 December	**43,929**	32,247
Less: non-current portion	**(25,332)**	(16,281)
Current portion	**18,597**	15,966

Lease liabilities related to right-of-use assets recognised as per IFRS 16 (refer note 7 (f)).

23 Lease liabilities *(continued)*

Maturity analysis of lease liabilities:

	2024 AED'000	2023 AED'000
Less than one year	**20,274**	16,198
More than one year	**26,910**	18,739
	47,184	34,937

24 Other long-term liabilities

	2024 AED'000	2023 AED'000
Deferred revenue (refer note 25 (a))	**26,384,519**	25,848,381
Advances for new connections	**6,487,065**	6,616,075
Retentions payable	**575,306**	613,418
Asset retirement obligations	**301,482**	313,868
	33,748,372	33,391,742

25 Trade and other payables

	2024 AED'000	2023 AED'000
Consumers' security deposits	**5,074,227**	4,656,794
Capital projects payables	**2,121,312**	2,022,376
Trade payables	**2,738,696**	2,053,879
Retentions payable	**1,410,034**	1,320,180
Deferred revenue (refer note (a) below)	**1,751,263**	1,465,565
Advances for new connections	**1,206,230**	348,215
Accrual for staff benefits	**255,824**	234,540
Corporate tax payable (refer note 13)	**853,509**	-
Retirement benefit obligations (refer note 22)	**6,278**	10,299
Other payables	**2,788,518**	2,597,120
	18,205,891	14,708,968

25 Trade and other payables *(continued)*

(a) Movements in the deferred revenue are analysed below:

	2024 AED'000	2023 AED'000
At 1 January	**27,313,946**	26,315,486
Addition during the year	**1,985,934**	2,089,712
Revenue recognised during the year	**(1,164,098)**	(1,091,252)
At 31 December	**28,135,782**	27,313,946
Less: non-current portion (refer note 24)	**(26,384,519)**	(25,848,381)
Current portion	**1,751,263**	1,465,565

26 Regulatory deferral account credit balance

The prices that can be charged to customers for electricity and water by the Group are subject to oversight and/or approval by the Supreme Council of Energy. Hence the Group is subject to rate regulation. The Supreme Council of Energy through its notification issued in 2010 had allowed the Group to recover the additional costs it incurs due to the escalation in fuel prices considering 2010 as the base year from its customers.

The Supreme Council of Energy is also controlled by the Government of Dubai, and it is a related party of the Group.

The Group has recorded AED 367 million as at 31 December 2024 *(31 December 2023: AED 200 million)* in excess of the actual increase in fuel costs incurred since 2010 till date as regulatory deferral account credit balance.

On the transition date, the Group has elected to apply the requirements of IFRS 14 – 'Regulatory Deferral Accounts' and will continue to apply its current accounting policy for recognition, measurement and derecognition of this regulatory deferral account balance.

	2024 AED'000	2023 AED'000
At 1 January	**199,931**	95,343
Excess collection during the year	**167,413**	104,588
At 31 December	**367,344**	199,931

27 Related party transactions and balances

The Group transacts with the Government of Dubai, subsidiaries, joint ventures and entities controlled, jointly controlled or significantly influenced by the Government of Dubai within the scope of its ordinary business activities. Since the Group is majority owned by the Government of Dubai post its listing of shares on Dubai Financial Market (DFM), these entities are jointly referred to as 'government related entities'.

27 Related party transactions and balances *(continued)*

The Group applies the exemption relating to government related entities under IAS 24 – 'Related Parties' and only discloses transactions and balances with government related entities which are individually or collectively significant. To determine significance, the Group considers various qualitative and quantitative factors including whether transactions with related parties are conducted in the ordinary course of business.

Key management personnel and entities controlled by them are also related to the Group. Key management personnel of the Group comprise the directors and executive vice presidents (EVPs) of the Authority and employees of the Authority who are acting as directors of the subsidiaries.

Related party transactions

The material transactions and balances with related parties are disclosed below, except as disclosed in notes 7, 15, 17, 21, 23, 26, 28, 29, 30, 31, 32, 34 and 38 in these consolidated financial statements.

(a) Sale of electricity and water

The Group deals with various government entities in Dubai. Quantities of electricity and water sold to UAE nationals are at subsidised rates. The Group calculates differential between the value of these quantities supplied at subsidised rates and the approved rates, which is settled by the Department of Finance (DoF), Government of Dubai.

During the current year, the Group has collected AED 2,234 million *(31 December 2023: AED 1,993 million)* from the Department of Finance (DOF), Government of Dubai, mainly in respect of UAE nationals.

During the current year, the Group has earned AED 57 million *(31 December 2023: AED 57 million)* in respect of handling charges mainly from a related party (refer note 28).

During the current and prior years, revenue from other Government entities constitutes a small portion against the total revenue of the Group.

(b) Purchase of goods and services

The Group purchases fuel from entities owned by the Government of Dubai. During the current year, the Group purchased fuel amounting to AED 7,766 million *(31 December 2023: AED 7,513 million)* from various entities.

During the current year, the Group purchased water amounting to AED 9 million *(31 December 2023: AED 8 million)* from an entity under common control.

27 Related party transactions and balances *(continued)*

Related party transactions *(continued)*

(c) Transactions with banks owned by the Government of Dubai

The Group transacts with various banks and financial institutions which are wholly or partially controlled by the Government of Dubai. All of the Group's transactions with such banks are on approved commercial terms. A portion of the cash and cash equivalents as disclosed in note 19 was included in deposit held with such banks.

	2024	2023
	AED'000	AED'000
Repayment of borrowings	**8,150,000**	3,900,000
Short-term deposit matured	**4,859,941**	3,149,054
UAE National Bonds and Sukuk Bonds – placed	**1,526,636**	837,710
UAE National Bonds and Sukuk Bonds – matured	**1,207,955**	938,692

(d) Dividends declared/paid to Dubai Investment Fund (DIF), Government of Dubai

During the current year, the Authority declared and paid a dividend amounting to AED 6,200 million *(2023: AED 7,870 million)*. Out of this dividend, 82% pertains to DIF, Government of Dubai.

(e) Compensation to key management personnel

	2024	2023
	AED'000	AED'000
Salaries and short-term employee benefits	**130,723**	104,529
Post-employment benefits	**3,421**	2,399
	134,144	106,928

(f) Key management remuneration

	2024	2023
	AED'000	AED'000
Board of directors' remuneration	**39,500**	39,500

Related party balances

	2024	2023
	AED'000	AED'000
Liabilities		
Borrowings	**5,129,219**	4,393,351

28 Revenue

	2024	2023
	AED'000	AED'000
Revenue from contract with customers		
Sale of electricity	**19,668,374**	18,677,402
Sale of water	**5,696,109**	5,399,075
District cooling	**3,239,722**	3,017,829
Others	**2,373,146**	2,083,703
	30,977,351	29,178,009

Others include:

- Handling fees amounting to AED 57 million *(2023: AED 57 million)* represent amounts mainly earned from a related party for providing collection services.
- Amortisation of deferred revenue amounts to AED 1,164 million *(2023: AED 1,091 million)*.

Net movement in regulatory deferral account has been shown as a separate line item on the face of profit or loss.

28.1 Disaggregation of revenue

	Electricity		**Water**		**District cooling**		**Others**		**Total**	
Timing of revenue recognition	**2024 AED'000**	2023 AED'000	**2024 AED'000**	2023 AED'000	**2024 AED'000**	2023 AED'000	**2024 AED'000**	2023 AED'000	**2024 AED'000**	2023 AED'000
Products and services transferred -at a point in time	**19,668,374**	18,677,402	**5,696,109**	5,399,075	**3,239,722**	3,017,829	**1,209,048**	992,451	**29,813,253**	28,086,757
-over time	**-**	-	**-**	-	**-**	-	**1,164,098**	1,091,252	**1,164,098**	1,091,252
	19,668,374	18,677,402	**5,696,109**	5,399,075	**3,239,722**	3,017,829	**2,373,146**	2,083,703	**30,977,351**	29,178,009

29 Cost of sales

	2024	2023
	AED'000	AED'000
Generation, desalination and other direct expenditures (refer note 29.1)	**12,982,223**	12,272,569
Transmission and distribution expenditures (refer note 29.2)	**5,006,581**	4,869,714
Purchase of gas, power and water	**1,181,534**	790,371
	19,170,338	17,932,654

29 Cost of sales *(continued)*

29.1 Generation, desalination and other direct expenditures

	2024 AED'000	2023 AED'000
Fuel costs	**7,110,214**	6,885,373
Depreciation (refer note 7)	**3,103,920**	2,813,730
Employee benefit expenses (refer note 34)	**599,760**	585,042
Repairs and maintenance	**416,457**	260,959
Amortisation (refer note 8)	**12,157**	12,157
Others	**1,739,715**	1,715,308
	12,982,223	12,272,569

29.2 Transmission and distribution expenditures

	2024 AED'000	2023 AED'000
Depreciation (refer note 7)	**3,084,144**	2,988,699
Employee benefit expenses (refer note 34)	**1,668,468**	1,618,113
Repairs and maintenance	**189,727**	194,917
Others	**64,242**	67,985
	5,006,581	4,869,714

30 Administrative expenses

	2024 AED'000	2023 AED'000
Employee benefit expenses (refer note 34)	**1,832,502**	1,826,459
Repairs and maintenance	**254,170**	274,967
Depreciation (refer note 7)	**295,085**	240,685
Amortisation (refer note 8)	**72,626**	71,707
Insurance	**98,474**	77,581
Others *	**616,385**	522,067
	3,169,242	3,013,466

* Others include an amount of AED 27 million *(2023: 10 million)* paid as social contribution.

31 Other income

	2024 **AED'000**	2023 AED'000
Insurance claims (refer note 7 (g))	**353,313**	23,169
Sale of scrap	**64,693**	104,177
Liabilities written back	**23,072**	297,290
Profit on disposal of property, plant and equipment	**4,683**	401
Miscellaneous income	**147,796**	226,073
	593,557	651,110

32 Finance (costs)/income – net

	2024 **AED'000**	2023 AED'000
Finance costs		
Interest on bank and other borrowings	**(2,438,979)**	(2,405,836)
Amortisation of borrowing costs	**(59,890)**	(23,765)
Amortisation of financial liabilities	**(4,769)**	-
Interest on lease liabilities	**(232)**	(104)
Cash flow hedges – ineffective portion of changes in fair value of derivative financial instruments	**-**	(121)
	(2,503,870)	(2,429,826)
Amounts capitalised (refer note 7 (e))	**370,015**	812,661
	(2,133,855)	(1,617,165)
Finance income		
Interest income on short-term bank deposits	**347,370**	410,451
Cash flow hedges – reclassified to profit or loss	**605,600**	385,517
Interest earned on financial assets	**4,116**	4,019
Cash flow hedges – ineffective portion of changes in fair value of derivative financial instruments	**2,751**	5,428
Amortisation of financial liabilities	**-**	863
	959,837	806,278
Finance costs – net	**(1,174,018)**	(810,887)

33 Earnings per share/diluted share

Basic earnings per share amounts are calculated by dividing net profit or loss for the year attributable to the shareholders of the Authority by the weighted average number of ordinary shares outstanding during the year.

	2024	2023
	AED'000	AED'000
Earnings		
Profit for the year, attributable to the Owners – before net movement in regulatory deferral account and after tax	**7,180,073**	7,805,411
Profit for the year, attributable to the Owners – after net movement in regulatory deferral account and after tax	**7,012,660**	7,700,823

	2024	2023
Number of shares in thousands		
Number of ordinary shares for basic earnings per share at 31 December	**50,000,000**	50,000,000

	2024	2023
Earnings per share		
Basic and diluted earnings per share (AED) – before net movement of regulatory deferral account	**0.144**	0.156
Basic and diluted earnings per share (AED) – after net movement of regulatory deferral account	**0.140**	0.154

34 Employee benefit expenses

	2024	2023
	AED'000	AED'000
Salaries	**2,702,545**	2,680,140
Retirement benefit obligations (refer note 22)	**280,448**	271,610
Bonus	**385,748**	447,705
Other benefits	**731,989**	630,159
	4,100,730	4,029,614

34 Employee benefit expenses *(continued)*

Employee benefit expenses are allocated as detailed below:

	2024 AED'000	2023 AED'000
Cost of sales		
- Generation, desalination and other expenditures (refer note 29.1)	**599,760**	585,042
- Transmission and distribution expenditures (refer note 29.2)	**1,668,468**	1,618,113
Administrative expenses (refer note 30)	**1,832,502**	1,826,459
	4,100,730	4,029,614

35 Earnings before interest, taxes, depreciation, and amortization (EBITDA)

	2024 AED'000	2023 AED'000
Profit for the year after net movement in regulatory deferral account and tax	**7,234,189**	7,933,761
Income tax expense/(benefit)	**748,905**	(91,902)
Profit for the year after net movement in regulatory deferral account and before tax	**7,983,094**	7,841,859
Adjustments for:		
Finance costs – net (refer note 32)	**1,174,018**	810,887
Depreciation (refer note 7)	**6,483,149**	6,043,114
Amortisation (refer note 8)	**84,783**	83,864
EBITDA	**15,725,044**	14,779,724

36 Contingencies and commitments

	2024 AED'000	2023 AED'000
Future commitments including capital expenditure	**14,597,324**	9,704,472
Bank guarantees and letter of credits	**234,774**	462,478

37 Financial instruments by category

Financial assets

	2024 AED'000	2023 AED'000
At fair value through profit or loss		
Derivative financial instruments (refer note 10)	**2,097,312**	1,565,267
Financial assets measured at fair value through profit or loss (refer note 15)	**231,483**	165,663
	2,328,795	1,730,930
At fair value through other comprehensive income		
Financial assets at fair value through other comprehensive income (refer note 11)	**55,709**	54,153

	2024 AED'000	2023 AED'000
At amortised cost		
Other financial assets at amortised cost (refer note 15)	**7,306,249**	5,974,061
Cash at bank (refer note 19)	**6,104,698**	5,299,722
Short-term deposits (refer note 18)	**3,586,277**	4,894,389
Trade receivables (refer note 17)	**3,107,372**	3,420,058
	20,104,596	19,588,230

Fair value of financial assets at amortised cost are considered to approximates their carrying amount.

Financial liabilities

	2024 AED'000	2023 AED'000
At fair value through profit or loss		
Derivative financial instruments (refer note 10)	**6,393**	3,732
At amortised cost		
Borrowings (refer note 21)	**36,172,776**	38,887,566
Trade and other payables * (refer note 25)	**14,388,611**	12,884,889
Other long-term liabilities * (refer note 24)	**575,306**	613,418
Lease liabilities (refer note 23)	**43,929**	32,247
	51,180,622	52,418,120

* These do not include advances for new connections, deferred revenue, asset retirement obligation and retirement benefit obligations as these are non-financial liabilities.

38 Dividends

During the current year, the Authority declared and paid a dividend amounting to AED 6,200 million *(2023: AED 7,870 million)*.

During the current year, EMPOWER declared a dividend of AED 850 million *(2023: AED 850 million)*. An amount of AED 374 million *(2023: AED 374 million)* was paid to the non-controlling interest as dividend.

In addition to above, Shuaa Energy 1 P.S.C declared a dividend of AED 18 million *(2023: AED 8.6 million)*. An amount of AED 8 million *(2023: AED 4.2 million)* was paid to the non-controlling interest as dividend and Shuaa Energy 3 P.S.C declared a dividend of AED 7 million *(2023: AED nil)* which include an amount of AED 3 million *(2023: AED nil)* for non-controlling interest as dividend.

39 Acquisition of DXB CoolCo FZCO (DXB Cool)

In the previous year, EMPOWER entered into a sale and purchase agreement with Dubai Aviation City Corporation (DACC) to acquire 85% share capital of DXB Cool for a consideration of AED 892.5 million.

DXB Cool is a company incorporated in Dubai Airport Freezone Authority ("DAFZA"), Dubai, UAE (License No. 5007) and has a concession agreement with DACC which grants it the sole and exclusive rights to operate, maintain and perform the district cooling services within Dubai International Airport for a term of 35 years from the commencement date (i.e. 5 July 2023).

Management performed a detailed analysis of the acquisition and determined that:

- At the acquisition date, DXB Cool does not meet the definition of business as defined in IFRS 3 and as such the transaction should be accounted for as an asset acquisition.
- The acquired asset which is a financial asset should be measured at fair value on initial recognition and subsequently at amortised cost (refer note 15.2).

Accordingly, EMPOWER recognised a financial asset (refer note 15.2) and a non-controlling interest amounting to AED 157.5 million.

40 Comparative figures

The previous year figures have been regrouped/reclassified wherever necessary, in order to conform to the current year presentation. The regrouping/reclassification does not affect the previously reported total equity, net profit after tax and other comprehensive income.

41 Subsequent events

Subsequent to the year end, the Board of Directors of the Authority recommended a dividend amounting to AED 3,100 million in respect of the year ended 31 December 2024, which is subject to the approval of the shareholders at the forthcoming Annual General Meeting of the Authority. The aggregate amount of the proposed dividend expected to be paid in April 2025 out of retained earnings at 31 December 2024, but not recognised as liability at the year-end.