DP WORLD

DP WORLD ANNOUNCES RESILIENT FINANCIAL RESULTS
EBITDA maintained at $3.3 billion in 2020

Dubai, United Arab Emirates, 18 March 2021. DP World announces robust financial results for the year ended 31 December 2020. On a reported basis, revenue grew 11.0% to $8,533 million and adjusted EBITDA grew 0.4% to $3,319 million with adjusted EBITDA margin of 38.9%.

Results before separately disclosed items unless otherwise stated USD million	2020	2019	As reported % change	2019 excluding one-off land sale	% change	Like-for-like at constant currency % change[1]
Gross throughput[2] (TEU '000)	71,245	71,248	0.0%	71,248	0.0%	0.2%
Consolidated throughput[3] (TEU '000)	41,748	39,930	4.6%	39,930	4.6%	(1.8%)
Revenue	8,533	7,686	11.0%	7,371	15.8%	(3.2%)[5]
Share of profit from equity-accounted investees	122	153	(20.7%)	153	(20.7%)	2.2%
Adjusted EBITDA[4]	3,319	3,306	0.4%	3,017	10.0%	(0.8%)[5]
Adjusted EBITDA margin[6]	38.9%	43.0%	-	40.9%		42.1%[7]
EBIT	2,013	2,243	(10.3%)	1,954	3.0%	(3.6%)[5]
Profit for the period	980	1,341	(27.0%)	1,052	(6.9%)	(7.4%)[5]
Profit for the period attributable to owners of the Company before separately disclosed items	879	1,328	(33.8%)	1,039	(15.4%)	
Profit for the period attributable to owners of the Company after separately disclosed items	846	1,189	(28.8%)	900	(5.9%)	-

Results Highlights

- **Revenue of $8,533 million (Revenue growth of 11.0% on reported basis)**
  - Revenue growth of 11.0% supported by acquisitions and full year contribution from Topaz Energy & Marine and P&O Ferries.
  - Maritime and Logistics revenue up 33.2%
  - Like-for-like revenue decreased by 7.0% and down 3.2% excluding one-off land sale in 2019. Like-for-like containerised revenue up 1.8%.

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1 Like-for-like at constant currency is without the new additions at KRIL (India), Posorja (Ecuador), Topaz (UAE) Fraser Surrey (Canada), Ferries & Ferry Masters (UK), Feedertech (Singapore), Puertos y Logistica (Chile), Puerto Lirquen & Puerto Central (Chile), Swiss Terminal (Switzerland), TIS terminals in Ukraine; the discontinuation of Surabaya (Indonesia) and Tianjin (China); consolidation of DPWA (Australia) and Caucedo (Dominican Republic)
2 Gross throughput is throughput from all consolidated terminals plus equity-accounted investees.
3 Consolidated throughput is throughput from all terminals where the Group has control as per IFRS.
4 Adjusted EBITDA is Earnings before Interest, Tax, Depreciation & Amortisation and including share of profit from equity-accounted investees before separately disclosed items.
5 Like-for-like adjusted EBITDA further adjusted for one-off land sale in 2019.
6 The adjusted EBITDA margin is calculated by dividing adjusted EBITDA by revenue.
7 Like-for-like adjusted EBITDA margin.

- **Adjusted EBITDA of $3,319 million and adjusted EBITDA margin of 38.9%**
  - Adjusted EBITDA grew 0.4% and EBITDA margin for the year stood at 38.9%. Like-for-like adjusted EBITDA margin of 42.1%.
  - Adjusted EBITDA excluding one-off land sale in 2019 decreased 0.8% year-on-year on a like-for-like basis displaying resilience of the wider portfolio.
  - EBITDA margin declined due to a change in mix with the consolidation of lower margin Logistics businesses.

- **Robust Cash Generation**
  - Cash from operating activities increased 17.8% to $2,901 million in 2020 ($2,462 million in 2019) as we focused on managing costs to preserve cash.
  - Free cash flow (post cash tax and maintenance capital expenditure) improved 19.0% $2,447 million. ($2,058 million 2019).
  - Leverage (Net debt to adjusted EBITDA) increased to 3.7 times (Pre-IFRS16) from 3.4 times at FY2019 due to higher net debt of $11.0bn ($10.3bn 2019). On a post-IFRS16 basis, net leverage stands at 4.3 times compared to 3.9 times at FY2019.
  - DP World credit rating remains investment grade at BBB- with Stable Outlook by Fitch and Baa3 with Stable Outlook by Moody's.
  - DP World is committed to a strong investment grade rating in the medium term.

- **CDPQ Partnership Expanded to $8.2bn to provide Balance Sheet Flexibility**
  - Global Investment Platform with Caisse de dépôt et placement du Québec (CDPQ) expanded to $8.2 billion from $3.7 billion

- **Disciplined Investment Across the Portfolio**
  - Ports & Terminals announced new investment in Senegal, Angola and Indonesia[8].
  - Logistics & Maritime investment includes announced acquisition of Transworld and UNICO.
  - Capital expenditure of $1,076 million ($1,146 million in 2019) invested across the existing portfolio.
  - Capital expenditure guidance for 2021 is for up to $1.2 billion with investments planned into UAE, Jeddah (Saudi Arabia), London Gateway (UK), Berbera (Somaliland), Sokhna (Egypt) and Caucedo (Dominican Republic).

- **2020 Performance Ahead of Expectations, Encouraging Start to 2021**
  - Portfolio has delivered better than expected performance in 2020.
  - Pandemic, geopolitics and trade war continues to cause some uncertainty but medium-to-long term outlook remains positive.
  - Encouraging start to trading in 2021. We remain focused on delivering integrated supply chain solutions to cargo owners to drive growth and returns.

[8] Post 31 Dec 2020

DP World Group Chairman and CEO, Sultan Ahmed Bin Sulayem, commented:

"We are delighted that our portfolio has performed better than expected and, in a year like no other, to deliver flat volumes, stable EBITDA and free-cashflow growth is a remarkable achievement. The container industry has outperformed the gloomy double digit decline that some predicted at the start of the pandemic, which illustrates the resilience of the market and DP World has outperformed the industry once again, which demonstrates that we are in the right locations and a focus on origin and destination cargo will continue to deliver the right balance between growth and resilience.

"We have continued to make progress on our strategy to enable trade and deliver an integrated supply chain solution to cargo owners. We have focused our efforts on digitizing logistics and developed solutions for several verticals. We are pleased to state that cargo owners have responded positively, and we are now delivering efficient solutions to our customers, which bodes well for the future.

"In 2020, DP World de-listed its equity from the stock exchange and returned to private ownership. The strength and resilience that our business continually demonstrates throughout the cycles is due to the investment the Group has made over the years in response to changes in our industry. Our ability to adapt and change has been the key to our success, and we must continue to evolve for continued growth.

"Looking ahead, we will continue to be selective on new investments and focus on the integration of our recent acquisitions to drive synergies, containing costs to protect profitability and managing growth capex to preserve cashflow. We remain strongly committed to our 2022 combined (DP World and PFZW) leverage target of less than 4x Net Debt to EBITDA (Pre IFRS16).

"Overall, we are pleased that our business has performed better than expected in 2020 and, while we remain cautious on the outlook given the continued issues surrounding the pandemic, geopolitical uncertainty in some parts of the world and the ongoing trade war, we are encouraged by the start to trading in 2021 and remain positive on the medium to long-term outlook for the industry and our business."

- END –

<u>Investor Enquiries</u>

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18th March 12:00pm UAE (8:00am UK) Conference Call

1) Conference call for on FY2020 results hosted by Yuvraj Narayan.

2) A playback of the call will be available after the conference call concludes. For the dial in details and playback details please contact investor.relations@dpworld.com.

The presentation accompanying the conference call will be available on DP World's website within the investor centre under Financial Results on http://web.dpworld.com/investor-centre/financial-results/ from approximately 9am UAE time.

Forward-Looking Statements

This document contains certain "forward-looking" statements reflecting, among other things, current views on our markets, activities and prospects. By their nature, forward-looking statements involve risk and uncertainty because they relate to future events and circumstances that may or may not occur and which may be beyond DP World's ability to control or predict (such as changing political, economic or market circumstances). Actual outcomes and results may differ materially from any outcomes or results expressed or implied by such forward-looking statements. Any forward-looking statements made by or on behalf of DP World speak only as of the date they are made and no representation or warranty is given in relation to them, including as to their completeness or accuracy or the basis on which they were prepared. Except to the extent required by law, DP World does not undertake to update or revise forward-looking statements to reflect any changes in DP World's expectations with regard thereto or any changes in information, events, conditions or circumstances on which any such statement is based.

Group Chairman and CEO Statement

2020 – Resilience Beyond Expectations

The container industry volumes are estimated to have fallen by 2.1%[9] in 2020 but that is significantly ahead of the gloomy 10%-20%+ decline forecasts at the start of the pandemic. This once again illustrates the resilience of the sector, and DP World's 2020 performance once again highlights that we have the right model as our business has delivered a robust performance in these very challenging times.

Looking ahead, in the coming months and years, many corporates may re-examine their supply chains and assess for potential concentration risk, and some may move to a more regional distributional model or near-sourcing to avoid future disruptions. DP World's business has always been built with a focus on diversity, faster growing markets and origin & destination cargo, and we believe we are well prepared to meet the future demands of cargo owners.

DP World manages approximately 10% of the global container trade and 2020 was a year for new priorities such as remaining operational 24/7 to handle essential and critical cargo even through the strict lockdowns imposed in several countries where we operate. More recently DP World launched a vaccine logistics alliance with Emirates Airlines and Dubai Airports to speed up the distribution of Covid-19 vaccines around the world. The Group has offered assistance and expertise to UNICEF and aims to use its presence and infrastructure in emerging markets to distribute vaccine to the developing world.

It has been our early investment in digital technology such as Dubai Trade and terminal automation that has ensured we faced minimal disruption at our locations and allowed us to keep trade flowing. This focus on innovation continues, as we invest to build an intelligent platform that allows cargo owners to trade directly. We are committed to digitising logistics through AI and blockchain technology to reduce inefficiencies and improve transparency.

Integrated Supply Chain Solutions

We continued to make progress in our end-to-end solutions platform. We rolled-out the asset-light Unifeeder model to the Asia region as we acquired Feedertech and Perma which operates an independent feedering and regional short-sea network that connects the fast-growing trade route of Asia- Middle-East via the Indian Subcontinent. We have since announced the acquisition of Transworld which will further complement this network.

In Europe, we continue to build a compelling product offering for cargo owners through efficient connectivity from hubs to end markets via sea and land. While P&O Ferries and Ferrymasters have faced a particularly challenging time due to Covid-19, we continue to invest in the business as we believe it will emerge stronger from this crisis. P&O Ferries provides critical landside connectivity and complements our significant short sea connectivity through Unifeeder.

Unifeeder Group plays a critical role as a facilitator of integrated supply chains, by providing efficient and sustainable transport solutions. Unifeeder now has full-scale capability to offer

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[9] Drewry estimates

feedering and regional trade connectivity in Northern Europe, Mediterranean, Northern Africa, Middle East, Indian Subcontinent and Asia.

P&O Maritime Logistics

Following the acquisition of Topaz Marine and Energy (Topaz) which is a marine logistics solutions provider, we integrated Topaz with our existing business of P&O Maritime services to launch P&O Maritime logistics (POML). The enlarged business manages over 400 vessels and will focus on providing solutions to the oil & gas and renewable sector. POML has long-term contracts with visible revenue streams and the acquisition of Topaz has aided DP World to deliver resilient financials in 2020.

P&O Maritime logistics is developing new products that offer broader solutions to the market, and we aim to roll out these value added services in the coming period which will strengthen our relationship with cargo owners and provide sustainable long-term business.

Continued Investment in Ports & terminals

We continue to invest selectively in container port terminals that offer compelling value. Recently we announced the 50-year concession agreement and development of Ndayane terminal in Senegal. DP World's existing operations in Dakar (Senegal) has seen solid growth in recent years and with utilisation rates high, it is time to invest in new facilities to make room for further growth. The new port will support Senegal's development over the next century, and further reinforce Dakar's role as a major logistics hub and gateway to West and North West Africa.

We also announced a 20-year concession for a multipurpose terminal in Luanda, Angola. Luanda is a key port that handles all cargo for a country that is the 5th largest economy in Africa. We are excited about this new project and its growth prospects.

More recently, alongside CDPQ, we announced a return to Indonesia to develop and operate an integrated container port and, industrial and logistics park in Gresik, Java (Indonesia). The Java region is the key trading hub and generates approx. 60% of Indonesia's GDP. The container market in the region has delivered consistently strong growth and utilisation rates remain high. The first phase of the greenfield project will add container capacity of 1 million TEU (twenty-foot equivalent units) and 110-hectare industrial & logistics park.

Group Chief Financial, Business and Strategy Officer's Review

DP World has once again delivered a robust set of financial results in 2020 with continued solid cash generation. Our adjusted EBITDA of $3,319 million, is broadly flat both on a reported and like-for-like basis excluding the one-off 2019 land sale, while our adjusted EBITDA margin, as expected, diluted to 38.9% due to a change in mix effect. Reported revenue grew by 11.0% to $8,533 million, aided by acquisitions. Overall, delivering stable EBITDA given the challenging environment demonstrates the resilience of our business.

The Group is confident of meeting its 2022 combined (DPW & PFZW) leverage target of below 4.0x Net/Debt to EBITDA on a pre-IFRS 16 basis and remains committed to a strong investment grade rating in the medium term. The business continued to generate high levels of cash flow with free-cashflow post maintenance capex improving 19.0% year on year to $2,447 million. The strong cash generation combined with more disciplined investment and potential capital recycling, provides enough flexibility to maintain a strong balance sheet.

In September 2020, we expanded our global investment platform with Caisse de dépôt et placement du Québec (CDPQ) to $8.2 billion from $3.7 billion. This platform combined with our partnership with the National Investment and Infrastructure Fund (NIIF) of India give us further financial flexibility.

Importantly, DP Worlds credit rating remains investment grade at BBB- with Stable Outlook by Fitch and Baa3 with Stable Outlook by Moody's.

Middle East, Europe and Africa

Results before separately disclosed items USD million	2020	2019	% change	Like-for-like at constant currency % change
Consolidated throughput (TEU '000)	23,161	23,246	(0.4%)	(0.9%)
Revenue	6,026	5,669	6.3%	(9.5%)
Share of profit from equity-accounted investees	30	20	49.9%	41.8%
Adjusted EBITDA	2,596	2,726	(4.8%)	(1.1%)[5]
Adjusted EBITDA margin	43.1%	48.1%	-	47.1%

Consolidated throughput was down marginally on a reported basis but excluding Jebel Ali (UAE), volumes grew by 5.9%, with Africa being the key driver of growth. In Europe, volumes recovered strongly in the second half of 2020 after a severe lockdown in 2Q2020. Performance in the UAE was soft due to the loss of lower margin cargo but volumes stabilised in 4Q2020 (up 0.3%).

Overall, revenue in the region grew 6.3% to $6,026 million on a reported basis, benefitting from the acquisition of Topaz Energy and Marine. Adjusted EBITDA was $2,596 million, down 4.8% on a reported basis and down 1.1% on a like-for-like basis (excluding the one-off land sale in 2019) as the business focused on cost management.

We invested $664 million in the region, mainly focused on capacity expansions in UAE, Sokhna (Egypt), Berbera (Somaliland) and London Gateway (UK).

Asia Pacific and India

Results before separately disclosed items USD million	2020	2019	% change	Like-for-like at constant currency % change
Consolidated throughput (TEU '000)	8,766	9,316	(5.9%)	(5.9%)
Revenue	793	616	28.9%	(1.2%)
Share of profit from equity-accounted investees	84	108	(22.1%)	(9.8%)
Adjusted EBITDA	363	347	4.4%	(1.9%)[7]
Adjusted EBITDA Margin	45.8%	56.5%	-	54.6%

Market conditions in Asia Pacific and India have been relatively robust despite the volume pressure. Reported volumes are down due to a combination of lower temporary capacity in Pusan (South Korea) and severe Covid-19 related lockdowns in India. However, there has been a strong volume recovery in India in 2H2020 and like-for-like revenues have outperformed the volume decline due to pricing growth. Reported revenue growth of 28.9% was aided by the acquisition of Feedertech and KRIL. Share of profit from equity-accounted investees declined by 9.8% on like-for-like basis mainly due to a weaker performance in ATI (Philippines).

Adjusted EBITDA of $363 million declined by 1.9% on a like-for-like basis.

Capital expenditure in this region during the year was $162 million, mainly focused in Mumbai (India) and Pusan (South Korea).

Australia and Americas

Results before separately disclosed items USD million	2020	2019	% change	Like-for-like at constant currency % change
Consolidated throughput (TEU '000)	9,821	7,368	33.3%	0.3%
Revenue	1,713	1,402	22.2%	(0.6%)
Share of profit from equity-accounted investees	8	26	(69.3%)	54.5%
Adjusted EBITDA	590	437	35.0%	5.8%[7]
Adjusted EBITDA Margin	34.5%	31.2%	-	35.8%

After a challenging 1H2020, markets in Australia and Americas recovered to end the year broadly flat. Overall, the reported strong volume growth is mainly due acquisition of Fraser Surrey Docks (Canada), consolidation of Caucedo (Dominican Republic) in 2020 and full year contributions from the acquisitions of terminals in Chile and consolidation of Australia in 2019.

Reported revenues rose 22.2% to $1,713 million and adjusted EBITDA increased by 35.0% to $590 million. On a like-for-like basis, adjusted EBITDA increased by 5.8% due to an improved performance at Santos (Brazil). Profit from equity-accounted investees dropped to $8 million due to consolidation of Caucedo (Dominican Republic).

We invested $191 million capital expenditure in this region mainly focused on Caucedo (Dominican Republic), Posorja (Ecuador) and Vancouver (Canada).

Cash Flow and Balance Sheet

Adjusted gross debt (excluding loans from non-controlling shareholders) stands at $16.3 billion compared to $15.8 billion as of 31 Dec 2019. Lease and concession fee liabilities account for $3.2 billion with interest bearing debt of $13.1 billion as of 31 December 2020. Cash on balance sheet stood at $2.1 billion resulting in net debt of $14.1 billion or $11.0 billion (pre IFRS 16). Our net leverage (adjusted net debt to adjusted EBITDA) stands at 4.3 times post IFRS16 and would be 3.7x pre-IFRS16 basis. Cash generation remained solid with net cash from operations standing at $2.7 billion.

Capital Expenditure

Consolidated capital expenditure in 2020 was $1,076 million (FY2019: $1,146 million), with maintenance capital expenditure of $237 million. We expect the full year 2021 capital expenditure to be up to $1.2 billion to be invested in UAE, Jeddah (KSA), Berbera (Somaliland), Sokhna (Egypt), Caucedo (Dominican Republic), London gateway (UK), Luanda (Angola), Dakar (Senegal) and Vancouver (Canada).

Net finance costs before separately disclosed items

Net finance cost in 2020 was higher than the prior period at $838 million (FY2019: $716 million) mainly due to higher debt and FX losses.

Taxation

DP World is not subject to income tax on its UAE operations. The tax expense relates to the tax payable on the profit earned by overseas subsidiaries, as adjusted in accordance with the taxation laws and regulations of the countries in which they operate. For 2020, DP World's income tax expense before separately disclosed items was $195 million (2019: $186 million).

Profit attributable to non-controlling interests (minority interest)

Profit attributable to non-controlling interests (minority interest) before separately disclosed items was $101 million against FY2019 of $13.5 million mainly due to improved performance of Australia and Caucedo business post acquiring control.

Sultan Ahmed Bin Sulayem **Group Chairman and Chief Executive Officer**	**Yuvraj Narayan** **Group Chief Financial, Business and Strategy Officer**

About DP World:

We are the leading provider of worldwide smart end-to-end supply chain logistics, enabling the flow of trade across the globe. Our comprehensive range of products and services covers every link of the integrated supply chain – from maritime and inland terminals to marine services and industrial parks as well as technology-driven customer solutions.

We deliver these services through an interconnected global network of 136 business units in 61 countries across six continents, with a significant presence both in high-growth and mature markets. Wherever we operate, we integrate sustainability and responsible corporate citizenship into our activities, striving for a positive contribution to the economies and communities where we live and work.

Our dedicated, diverse and professional team of more than 53,360 employees from 137 nationalities are committed to delivering unrivalled value to our customers and partners. We do this by focusing on mutually beneficial relationships – with governments, shippers, traders, and other stakeholders along the global supply chain – relationships built on a foundation of mutual trust and enduring partnership.

We think ahead, anticipate change and deploy industry-leading digital technology to further broaden our vision to disrupt world trade and create the smartest, most efficient and innovative solutions, while ensuring a positive and sustainable impact on economies, societies and our planet.

DP World Limited
(formerly DP World PLC)
and its subsidiaries

Consolidated financial statements
31 December 2020

DP World Limited and its subsidiaries

Consolidated financial statements

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Independent Auditors' Report

To the Shareholder of DP World Limited (formerly DP World PLC)

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of DP World Limited ("the Company") and its subsidiaries ("the Group"), which comprise the consolidated statement of financial position as at 31 December 2020, the consolidated statements of profit or loss, other comprehensive income, changes in equity and cash flows for the year then ended, and notes, comprising significant 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 2020, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS).

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 Dubai International Financial Centre ("DIFC"), and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

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

Key Audit Matters (continued)

Impairment assessment of carrying value of goodwill, port concession rights and other intangible assets with indefinite useful lives

Refer to notes 3 and 16 of the consolidated financial statements.

The Group has significant goodwill, port concession rights and other intangible assets arising from the acquisition of businesses. The Group's annual impairment testing on goodwill, port concession rights and other intangible assets with indefinite useful lives is performed using free cash flow projections based on three year financial budgets approved by the Board and a further five year future forecasts estimated by the Group's management. Due to the inherent uncertainty involved in forecasting and discounting future cash flows, which forms the basis of the assessment of recoverability, these are the key areas that our audit concentrated on.

Our response to address the key audit matter

Our procedures included:

In respect of the cash flows: We considered the Group's procedures used to develop the forecasts and the principles and integrity of the Group's discounted cash flow model and re-performed the calculations of the model results to test their mathematical accuracy. To challenge the reasonableness of those cash flow estimates, we assessed the historical accuracy of the Group's forecasting activities and corroborated the forecasts with reference to publicly available information and other evidence that has been made available during the course of the audit. We also challenged other key inputs, such as the projected growth rate and terminal value growth rate.

In respect of the discount rates: We compared the Group's assumptions to externally derived data (for example, bond yields and inflation statistics) where appropriate. We used our valuation specialists to assist us in assessing the reasonableness of the significant assumptions used in arriving at the discount rates.

In respect of the sensitivity to key assumptions: We assessed the impact to the calculated recoverable amount of the cash generating units by changing discount rates and forecast future cash flows.

We assessed the adequacy of the Group's disclosure in these respects.

Key Audit Matters (continued)

Accounting for business acquisitions

Refer to notes 3 and 26 of the consolidated financial statements.

During the year, the Group made a number of acquisitions including Fraser Surrey Docks, Feedertech Group, TIS Container Terminal, KRIBHCO Infrastructure Limited. The Group also acquired control of Caucedo Investments Inc.

For the acquisitions, in accordance with IFRS 3 – Business Combinations, the accounting involves estimating the fair value of the assets and liabilities at the acquisition date, the identification and valuation of intangible assets and recognition of goodwill. These details are included in the purchase price allocation report provided by the management. Furthermore, the accounting also involves fair valuing the existing stake when acquiring control of an existing investment. Due to the inherent uncertainty involved in estimating and discounting future cash flows, there is a risk that these assumptions are inappropriate.

An assessment is required to be made as to the classification of an investment as a subsidiary, joint venture or associate based on whether the Group has determined to have control, joint control or significant influence respectively. This is particularly relevant at the time of each acquisition Furthermore, the remaining stake will need to fair valued at the time of acquiring control of an existing investment and difference between the carrying amount and fair value to be recognised in the consolidated statement of profit or loss.

Our response to address the key audit matter

Our procedures included:

For the acquisitions, we challenged the Group's critical assumptions in relation to the identification and recognition of the assets and liabilities acquired and the associated fair values by involving our valuation specialists to assess the reasonableness of the assumptions used in the fair value and purchase price allocation process as determined by the Group. Furthermore, we assessed the reasonableness of the method used in recognition of non-controlling interest as per IFRS 3 - Business Combinations.

For the conversion from joint venture to subsidiary, we checked that the carrying value of existing stake is re-measured to fair value at the date of acquisition with resulting gain or loss recognised in consolidated statement of profit or loss.

We inspected the key terms in the share purchase agreements to assess the control classification of the investments as per IFRS 10 – Consolidated Financial Statements. We agreed the consideration paid by comparing relevant amounts to bank records and considered the appropriateness of costs associated with the purchase.

We assessed the adequacy of the Group's disclosure in these respects.

Key Audit Matters (continued)

Provisions in respect of litigation and claims

Refer to notes 3 and 27 of the consolidated financial statements.

The Group enters into individually significant contracts which may extend to many years and are often directly or indirectly associated with governments. As a result, the Group is subject to a number of potentially material ongoing litigation actions and claims. Therefore, the recognition and measurement of provisions and the measurement and disclosure of contingent liabilities in respect of litigation and claims requires significant judgement and accordingly is a key audit focus areas.

Our response to address the key audit matter

Our procedures included:

We obtained written representations from the Group's legal counsel, made independent enquiries, discuss significant legal matters with Group management and obtained confirmations from external lawyers to understand the legal positions and exposure to the Group.

The outcome of our evaluation was used as a basis to determine the adequacy of the level of provisioning and disclosure in the consolidated financial statements.

Taxation provisions

Refer to notes 3 and 8 of the consolidated financial statements.

The Group operates in a number of tax jurisdictions whereby the Group has to estimate the tax effect of applying local legislation in light of the practices of the respective tax authorities, including the impact of cross border transactions and transfer pricing arrangements, which can be complex, uncertain and therefore involve significant judgment.

Tax provisions have been estimated by the Group with respect to the tax exposures identified but there is the potential risk that the eventual resolution of a matter with the tax authorities are at an amount materially different to the provision recognised.

Key Audit Matters (continued)

Our response to address the key audit matter

Our procedures included:

We have considered any large and / or unusual items affecting the effective tax rate and whether any current year items would result in an increased or reduced provision. We tested the Group's deferred tax provisions including the tax rates applied, for reasonableness.

In considering the judgements and estimates of tax provisions, we used our tax specialists to assess the Group's tax positions including assessing correspondence with the relevant tax authorities. We challenged the positions taken by the Group based on our knowledge and experience of the jurisdiction in which the Group operates specifically relating to the adequacy of provisions and disclosure within the consolidated financial statements.

Pensions

Refer to notes 3 and 23 of the consolidated financial statements.

The Group operates a number of defined benefit pension schemes. In accordance with IAS 19 – Employee Benefits, the valuation of the pension deficit requires significant levels of judgement and technical expertise in choosing the appropriate assumptions. Changes in a number of the key assumptions including estimated salary increases, inflation, discount rates and mortality assumptions can have a material impact on the calculation of the net pension position. Due to the significance of the pension scheme obligations, the estimates and judgements inherent in the actuarial assumptions underpinning their valuation, we considered this to be an area of focus.

Our response to address the key audit matter

Our procedures included:

The Group engages independent external actuaries to assist them in calculating the appropriate pension scheme position. We obtained the actuaries reports and, with the assistance of our pension specialists, assessed the discount and inflation rates used in calculating the pension deficit to our internally developed benchmarks, which are based on externally available data to assess whether these assumptions were within our expected range. We compared the mortality assumption to national and industry averages to assess that these were reasonable.

We also compared the assumptions with those used in previous years, to assess whether the methodology used in arriving at the assumptions year on year was consistent.

Key Audit Matters (continued)

Our response to address the key audit matter (continued)

We agreed the material assets of the scheme to third party confirmations and where applicable, recalculated asset valuations based on the quoted prices.

We assessed the adequacy of the disclosures in this area.

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. The Annual report is expected to be made available to us after the date of this auditors' report.

Our opinion on the consolidated financial statements does not cover the other information and we do 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.

When we read the Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take appropriate actions in accordance with ISAs.

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, and their preparation in compliance with the applicable provisions of the Companies Law pursuant to DIFC Law No. 5 of 2018 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 judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our 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.

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

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

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

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

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

Report on Other Legal and Regulatory Requirements

We further report that the consolidated financial statements comply, in all material respects, with the applicable provisions of the Companies Law pursuant to DIFC Law No. 5 of 2018.

KPMG LLP

Richard Ackland
Dubai, United Arab Emirates

Date: 18 March 2021

DP World Limited and its subsidiaries

Consolidated statement of profit or loss

		Year ended 31 December 2020			Year ended 31 December 2019		
	Note	**Before separately disclosed items**	**Separately disclosed items (Note 9)**	**Total**	Before separately disclosed items	Separately disclosed items (Note 9)	Total
		USD'000	**USD'000**	**USD'000**	USD'000	USD'000	USD'000
Revenue	*5*	**8,532,563**	**-**	**8,532,563**	7,685,938	-	7,685,938
Cost of sales		**(5,491,500)**	**-**	**(5,491,500)**	(4,636,867)	-	(4,636,867)
Gross profit		**3,041,063**	**-**	**3,041,063**	3,049,071	-	3,049,071
General and administrative expenses		**(1,208,947)**	**(77,520)**	**(1,286,467)**	(1,002,456)	(60,427)	(1,062,883)
Other income		**59,033**	**3,265**	**62,298**	43,210	-	43,210
Gain/ (loss) on disposal and change in ownership	*9*	**-**	**115,089**	**115,089**	-	(55,622)	(55,622)
Share of profit/ (loss) from equity-accounted investees (net of tax)	*17*	**121,551**	**(97,435)**	**24,116**	153,301	(42,652)	110,649
Results from operating activities		**2,012,700**	**(56,601)**	**1,956,099**	2,243,126	(158,701)	2,084,425
Finance income	*7*	**144,624**	**9,773**	**154,397**	103,422	43,026	146,448
Finance costs	*7*	**(982,865)**	**(44,433)**	**(1,027,298)**	(818,965)	(31,205)	(850,170)
Net finance costs		**(838,241)**	**(34,660)**	**(872,901)**	(715,543)	11,821	(703,722)
Profit before tax		**1,174,459**	**(91,261)**	**1,083,198**	1,527,583	(146,880)	1,380,703
Income tax expense	*8*	**(194,759)**	**53,563**	**(141,196)**	(186,150)	-	(186,150)
Profit for the year	*6*	**979,700**	**(37,698)**	**942,002**	1,341,433	(146,880)	1,194,553
Profit attributable to:							
Owners of the Company		**878,629**	**(32,238)**	**846,391**	1,327,932	(139,086)	1,188,846
Non-controlling interests		**101,071**	**(5,460)**	**95,611**	13,501	(7,794)	5,707
		979,700	**(37,698)**	**942,002**	1,341,433	(146,880)	1,194,553

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

Consolidated statement of other comprehensive income

		2020	2019
	Note	**USD'000**	USD'000
Profit for the year		**942,002**	1,194,553
Other comprehensive income (OCI)			
Items that are or may be reclassified to profit or loss:			
Foreign exchange translation differences – foreign operations*		**298,673**	105,716
Foreign exchange translation differences recycled to profit or loss due to change in ownership resulting in control		**837**	38,277
Share of other comprehensive income of equity-accounted investees	*17*	**7,823**	(3,002)
Cash flow hedges - effective portion of changes in fair value		**(83,489)**	(32,946)
Cash flow hedges - reclassified to profit or loss		**7,984**	2,180
Related tax on changes in fair value of cash flow hedges		**4,837**	1,443
Items that will never be reclassified to profit or loss:			
Re-measurements of post-employment benefit obligations		**(33,265)**	(3,812)
Related tax		**178**	712
Other comprehensive income for the year, net of tax		**203,578**	108,568
Total comprehensive income for the year		**1,145,580**	1,303,121
Total comprehensive income attributable to:			
Owners of the Company		**1,054,568**	1,225,819
Non-controlling interests		**91,012**	77,302

* A significant portion of this includes foreign exchange translation differences arising from the translation of goodwill and purchase price adjustments which are denominated in foreign currencies at the Group level. The translation differences arising on account of translation of the financial statements of foreign operations whose functional currencies are different from that of the Group's presentation currency are also reflected here. There are no differences on translation from the Company's functional to presentation currency as it is pegged to the presentation currency.

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

DP World Limited and its subsidiaries

Consolidated statement of financial position

		2020	2019
	Note	**USD'000**	USD'000
Assets			
Non-current assets			
Property, plant and equipment	*11*	**13,063,653**	12,226,735
Right-of-use assets	*12*	**2,287,314**	2,080,908
Investment properties	*13*	**1,656,446**	1,672,911
Intangible assets and goodwill	*14*	**11,213,488**	10,054,701
Investment in equity-accounted investees	*17*	**2,253,538**	2,200,252
Other investments		**20,487**	20,009
Deferred tax assets	*8*	**51,107**	-
Due from Parent Company	*19(a)*	**1,545,511**	-
Accounts receivable and prepayments	*19(b)*	**754,821**	675,845
Total non-current assets		**32,846,365**	28,931,361
Current assets			
Inventories	*18*	**182,649**	156,393
Properties held for development and sale	*15*	**138,210**	194,612
Due from Parent Company	*19(a)*	**962**	30
Accounts receivable and prepayments	*19(b)*	**2,009,472**	1,836,765
Cash and cash equivalents	*20*	**2,142,110**	2,943,359
Asset held for sale	*21*	**22,590**	-
Total current assets		**4,495,993**	5,131,159
Total assets		**37,342,358**	34,062,520
Equity			
Share capital	*30*	**1,660,000**	1,660,000
Share premium		**2,472,655**	2,472,655
Shareholders' reserve		**2,000,000**	2,000,000
Retained earnings		**8,691,836**	8,179,779
Translation reserve		**(1,614,333)**	(1,904,817)
Other reserves	*31*	**(674,758)**	(592,451)
Equity attributable to owners of the Company		**12,535,400**	11,815,166
Hybrid equity instrument	*32*	**1,476,686**	-
Non-controlling interests	*25*	**1,388,423**	1,032,052
Total equity		**15,400,509**	12,847,218
Liabilities			
Non-current liabilities			
Loans and borrowings	*33*	**12,617,341**	12,185,472
Lease and service concession liabilities	*34*	**2,970,202**	2,287,655
Loans from non-controlling shareholders	*35*	**810,366**	688,017
Accounts payable and accruals	*24*	**306,451**	379,271
Deferred tax liabilities	*8*	**998,382**	937,967
Employees' end of service benefits	*22*	**191,395**	176,227
Pension and post-employment benefits	*23*	**353,252**	347,406
Total non-current liabilities		**18,247,389**	17,002,015
Current liabilities			
Loans and borrowings	*33*	**498,014**	1,095,412
Lease and service concession liabilities	*34*	**194,240**	225,535
Loans from non-controlling shareholders	*35*	**1,000**	1,000
Accounts payable and accruals	*24*	**2,758,892**	2,663,660
Income tax liabilities	*8*	**119,367**	120,888
Pension and post-employment benefits	*23*	**122,947**	106,792
Total current liabilities		**3,694,460**	4,213,287
Total liabilities		**21,941,849**	21,215,302
Total equity and liabilities		**37,342,358**	34,062,520

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

The consolidated financial statements were authorised for issue on 18 March 2021.

Sultan Ahmed Bin Sulayem
Chairman and Chief Executive Officer

Yuvraj Narayan
Chief Financial, Strategy and Business Officer

DP World Limited and its subsidiaries

Consolidated statement of changes in equity

	Attributable to equity holders of the Company								
	Share capital and premium	Shareholders' reserve	Retained earnings	Translation reserve	Other reserves	Total	Hybrid equity instrument	Non-controlling interests	Total equity
	USD'000	USD'000	USD'000	USD'000	USD'000	USD'000	USD'000	USD'000	USD'000
Balance as at 1 January 2019	4,132,655	2,000,000	7,712,784	(1,976,051)	(558,190)	11,311,198	-	687,720	11,998,918
Adjustment on initial application of IFRS 16 (net of tax) (refer to note 2(c)*(iv)*)	-	-	(385,263)	-	-	(385,263)	-	(14,312)	(399,575)
Adjusted balance as at 1 January 2019	4,132,655	2,000,000	7,327,521	(1,976,051)	(558,190)	10,925,935	-	673,408	11,599,343
Profit for the period	-	-	1,188,846	-	-	1,188,846	-	5,707	1,194,553
Other comprehensive income, net of tax	-	-	-	71,234	(34,261)	36,973	-	71,595	108,568
Transactions with owners, recognised directly in equity									
Dividends paid (refer to note 10)	-	-	(356,900)	-	-	(356,900)	-	-	(356,900)
Change in non-controlling interests without change in control	-	-	20,312	-	-	20,312	-	100,993	121,305
Transactions with non-controlling interests, recognised directly in equity									
Contributions by non-controlling interests	-	-	-	-	-	-	-	42,597	42,597
Acquisition of subsidiary with non-controlling interests	-	-	-	-	-	-	-	256,917	256,917
Dividends paid	-	-	-	-	-	-	-	(119,165)	(119,165)
Balance as at 31 December 2019	**4,132,655**	**2,000,000**	**8,179,779**	**(1,904,817)**	**(592,451)**	**11,815,166**	**-**	**1,032,052**	**12,847,218**
Profit for the period	**-**	**-**	**846,391**	**-**	**-**	**846,391**	**-**	**95,611**	**942,002**
Other comprehensive income, net of tax	**-**	**-**	**-**	**290,484**	**(82,307)**	**208,177**	**-**	**(4,599)**	**203,578**
Transactions with owners, recognised directly in equity									
Dividends paid (refer to note 10)	**-**	**-**	**(332,000)**	**-**	**-**	**(332,000)**	**-**	**-**	**(332,000)**
Change in non-controlling interests without change in control	**-**	**-**	**(2,334)**	**-**	**-**	**(2,334)**	**-**	**2,234**	**(100)**
Transactions with non-controlling interests, recognised directly in equity									
Contributions by non-controlling interests	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**45,591**	**45,591**
Acquisition of subsidiary with non-controlling interests	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**338,243**	**338,243**
Dividends paid	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**(120,709)**	**(120,709)**
Hybrid equity instruments									
Net proceeds from issuance (refer to note 32)	**-**	**-**	**-**	**-**	**-**	**-**	**1,476,686**	**-**	**1,476,686**
Balance as at 31 December 2020	**4,132,655**	**2,000,000**	**8,691,836**	**(1,614,333)**	**(674,758)**	**12,535,400**	**1,476,686**	**1,388,423**	**15,400,509**

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

DP World Limited and its subsidiaries

Consolidated statement of cash flows

		2020	2019
	Note	**USD'000**	USD'000
Cash flows from operating activities			
Profit for the year		**942,002**	1,194,553
Adjustments for:			
Depreciation and amortisation	*6*	**1,306,755**	1,062,454
Impairment loss	*6*	**7,782**	32,092
Share of profit from equity-accounted investees (net of tax)		**(24,116)**	(110,649)
Finance costs	*7*	**1,027,298**	850,170
(Gain)/loss on sale of property, plant and equipment		**(2,417)**	1,793
(Gain)/loss on disposal and change in ownership of business	*9*	**(115,088)**	55,622
Finance income	*7*	**(154,397)**	(146,448)
Income tax expense	*8*	**141,196**	186,150
Gross cash flows from operations		**3,129,015**	3,125,737
Changes in:			
Inventories		**(20,403)**	(17,611)
Accounts receivable and prepayments		**(34,299)**	(385,599)
Accounts payable and accruals		**(218,060)**	(429,913)
Properties held for development and sale		**3,363**	4,650
Provisions, pensions and post-employment benefits		**41,411**	164,728
Cash generated from operating activities		**2,901,027**	2,461,992
Income taxes paid		**(216,665)**	(208,236)
Net cash from operating activities		**2,684,362**	2,253,756
Cash flows from investing activities			
Additions to property, plant and equipment	*11*	**(945,149)**	(1,032,128)
Additions to investment properties	*13*	**(66,452)**	(105,255)
Additions to port concession assets	*14*	**(64,428)**	(8,969)
Additional investment in equity-accounted investees		**(108,151)**	(85,000)
Return of capital from other investments		**-**	13,495
Advance paid for purchase of investments		**(59,604)**	-
Proceeds from disposal of assets		**33,309**	17,327
Proceeds from disposal of shares in equity-accounted investees		**-**	41,337
Net cash outflow on acquisition of subsidiaries		**(276,585)**	(1,234,286)
Interest received		**45,190**	76,170
Dividends received from equity-accounted investees	*17*	**57,466**	124,146
Net cash used in investing activities		**(1,384,404)**	(2,193,163)
Cash flows from financing activities			
Repayment of loans and borrowings		**(2,522,039)**	(1,446,158)
Drawdown of loans and borrowings		**1,870,540**	3,146,195
Repayment of shareholder loans		**(46,014)**	-
Drawdown of shareholder loans		**89,379**	-
Net proceeds from issuance of hybrid equity instrument		**1,476,686**	-
Loan given to Parent company		**(1,500,000)**	-
Repayment of lease liabilities	*34(a)*	**(379,825)**	(302,831)
Redemption of Sukuk	*33*	**-**	(232,014)
Interest paid		**(697,685)**	(605,333)
Dividends paid to the owners of the Company		**(332,000)**	(356,900)
Proceeds from disposal of non-controlling interest in subsidiaries		**-**	227,533
Net cash outflow on acquisition of additional interest in subsidiaries		**(100)**	(90,564)
Contribution by non-controlling interests		**45,591**	42,597
Dividend paid to non-controlling interests		**(120,709)**	(119,165)
Net cash (used in)/ from financing activities		**(2,116,176)**	263,360
Net (decrease)/ increase in cash and cash equivalents		**(816,218)**	323,953
Cash and cash equivalents as at 1 January		**2,943,359**	2,614,710
Effect of exchange rate fluctuations on cash held		**14,969**	4,696
Cash and cash equivalents as at 31 December	*20*	**2,142,110**	2,943,359

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

1. Corporate information

DP World Limited (formerly DP World PLC) was incorporated on 9 August 2006 as a Company Limited by Shares with the Registrar of Companies of the Dubai International Financial Centre ("DIFC") under the DIFC Companies Law. The consolidated financial statements for the year ended 31 December 2020 comprise the Company and its subsidiaries (collectively referred to as "the Group") and the Group's interests in equity-accounted investees. The Group is engaged in the business of development and management of international marine and inland terminal operations, maritime services, maritime transport, industrial parks, economic zones, logistics services, associated land development and investment in innovative technology-driven trade solutions.

Port & Free Zone World FZE ("PFZW" or "the Parent Company"), which originally held 100% of the Company's issued and outstanding share capital, made an initial public offer of 19.55% of its share capital to the public and the Company was listed on the Nasdaq Dubai with effect from 26 November 2007. The Company was further admitted to trade on the London Stock Exchange with effect from 1 June 2011 and voluntarily delisted from the London Stock Exchange on 21 January 2015.

On 23 March 2020, the Company published a scheme circular in connection with the recommended cash offer by Port & Free Zone World FZE for the entire issued and to be issued ordinary share capital of the Company, other than the Company shares already owned by or on behalf of the Parent Company to be implemented by means of a scheme of arrangement. On 22 June 2020, the scheme became effective and DP World PLC was delisted from Nasdaq Dubai on 23 June 2020. Effective 5 July 2020, DP World PLC has been re-registered as a private company and the name of the company has been changed to "DP World Limited". DP World Limited is now 100% owned by Port & Free Zone World FZE.

Port & Free Zone World FZE is a wholly owned subsidiary of Dubai World Corporation ("the Ultimate Parent Company").

The Company's registered office address is P.O. Box 17000, Dubai, United Arab Emirates.

2. Basis of preparation of the consolidated financial statements

The consolidated financial statements have been prepared on going concern basis in accordance with International Financial Reporting Standards ("IFRS") as published by International Accounting Standards Board (IASB) and the applicable provisions of the DIFC Companies Law.

The consolidated financial statements have been prepared on the historical cost basis, except for financial instruments, contingent consideration and plan assets in defined pension plans which are measured at fair value.

a) Use of estimates and judgements

The management makes estimates and judgements affecting the application of accounting policies and reported numbers in the consolidated financial statements. The significant estimates and judgements are listed below:

i. Estimate of useful lives of property, plant and equipment and port concession rights with finite lives.

ii. Estimate of expected future cash flows and discount rates for calculating present value of such cash flows used to compute value-in-use of cash-generating units.

iii. Estimate of fair value of derivatives for which an active market is not available, is computed using various generally accepted valuation techniques. Such techniques require inputs from observable markets and judgements on market risk and credit risk.

iv. Estimates of cost to complete the projects for the purpose of valuation of the properties held for development and sale and investment properties under construction.

v. Estimate of level of probability of a contingent liability becoming an actual liability and resulting cash outflow based on the information available on the reporting date

vi. Estimate to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with future tax planning strategies.

vii. Estimate to measure expected credit losses for financial assets.

viii. Estimate required by actuaries in respect of discount rates, future salary increments, mortality rates and inflation rate used for computation of defined benefit liability.

ix. Judgement in calculating the appropriate discount rate and lease term.

x. Judgement is required in determine whether or not a contract contains a lease.

xi. Judgement is required on recognition of an identifiable intangible asset separate from goodwill in case of business combination at its estimated fair value. This is based on information available and management's expectations on the date of acquisition

2. Basis of preparation of the consolidated financial statements (continued)

a) Use of estimates and judgements (continued)

xii. Judgement is required for consolidation of entities in which the Group holds less than 50% shareholding and non-consolidation of entities in which the Group holds more than 50% shareholding (refer to note 27).
xiii. Judgement is required to determine whether or not the Group has significant influence over an investee.
xiv. Judgement is required in determining the worldwide provision for income taxes.

The actual results may differ from the estimates and judgements made by the management in the above matters. Revisions to the accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

Management has also reassessed significant judgements, estimates and assumptions primarily due to the current economic uncertainties arising from the recent outbreak of the Novel Coronavirus (COVID-19) as outlined below:

COVID-19

At the start of the pandemic, the world suffered a production shock in China, followed by a demand shock in Europe and North America. After an initial significant dip in volumes, traffic recovered at Group's port in China. The Group's early investment in digital technology and automation ensured the Group faced minimal disruption at its locations. The Group's response to the pandemic was rapid and resolute in continuing to provide our services, maintain operations and protect customers, employees and host communities without compromising on safety. Around the world, the Group has established dedicated teams to monitor, implement, educate and communicate control measures. The Group also monitors, and acts on, every health measure laid down by local government regulations and the WHO, whilst ensuring vital trade continues to flow so that societies have what they need to face the crisis.

As part of Group's strategy to participate across the supply chain to reduce inefficiencies and connect directly with owners of cargo, the Group continued to invest in Logistics and Maritime sector during the year. By integrating the new acquisitions and investing in innovation and technology, the Group continued to assist customers who were struggling with logistics amid the COVID-19 pandemic.

The Ferries business has faced a challenging trading environment during the year given the lockdown in UK and Europe, resulting in reduced passenger activity, but we continue to transport critical cargo for consumers. As indicated in note 9, certain restructuring costs were incurred mainly relating to severance pay associated with redundancies resulting from the impact of COVID-19 on tourist part of our business in a subsidiary in 'Middle East, Europe and Africa' region. Apart from these costs there has been no significant impact on the Group's profitability attributed specifically to COVID-19 in the current period.

The Group is monitoring all capex closely, has implemented expansive cost control initiatives across all units, is seeking all possible revenue opportunities throughout the business to promote cash preservation and keeping a close watch on receivables. The Group has not observed any significant changes to debtor days as compared to the previous year.

Note on impairment review

IAS 36 Impairment of Assets requires that goodwill and intangible assets with indefinite lives are tested for impairment at a minimum every year and other non-financial assets are tested only when there are indicators of impairment that these assets might be impaired.

In the current year, given the impact of COVID-19 pandemic, the Group has updated the assumptions (discount rates and growth rates) and future cash flow projections to test for impairment reflecting the increased level of risk and uncertainty. The value in use of each cash-generating units ("CGU") is compared to the carrying amount to assess any probable impairment.

The value in use is calculated using cash flow projections based on the revised financial budgets covering a three year period and a further outlook for five years, which is considered appropriate in view of the outlook for the industry and the long-term nature of the concession agreements held i.e. generally for a period of 25-50 years.

Refer note 16 for further details.

2. Basis for preparation of the consolidated financial statements (continued)

b) New standards and interpretations not yet effective

Certain new accounting standards and interpretations have been published that are not mandatory for 31 December 2020 reporting periods and have not been early adopted by the group. These standards are not expected to have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions.

3. Significant accounting policies

The following significant accounting policies have been consistently applied in the preparation of these consolidated financial statements throughout the Group to all the years presented, unless otherwise stated.

a) Basis of consolidation

i. 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 Group accounts for business combinations (including common control transactions) 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.

The consideration (including contingent consideration) transferred in the acquisition is generally measured at fair value, as are the identifiable net assets acquired. Transaction costs incurred for business combinations are expensed as incurred.

For each significant business combination, the Group engages external, independent and qualified valuers who have the relevant experiences to carry out the fair valuation exercise of the net assets based on market related assumptions and weighted average cost of capital.

ii. Business combination achieved in stages

On business combination achieved in stages, the acquirer's previously held interest in the acquiree is remeasured to fair value at the date of acquisition with any resulting gain or loss recognised in the consolidated statement of profit or loss.

iii. Change in ownership interests in subsidiaries without loss of control

Changes in the Group's interests in a subsidiary that does not result in a loss of control are accounted for as transactions with owners in their capacity as owners and therefore no goodwill is recognised as a result of such transactions. The difference between the fair value of any consideration paid or received and relevant shares acquired or disposed off in the carrying value of net assets of the subsidiary is recorded in equity under retained earnings.

iv. Disposal of subsidiaries (loss of control)

On the loss of control, the Group derecognises the subsidiary and recognises any surplus or deficit arising on the loss of control in the consolidated statement of profit or loss. Any retained interest is re-measured at fair value on the date control is lost and is subsequently accounted as an equity-accounted investee or as a Fair Value through other comprehensive income (FVOCI) equity instrument depending on the level of influence retained.

3. Significant accounting policies (continued)

a) Basis of consolidation (continued)

v. Non-controlling interests

For each business combination, the Group elects to measure any non-controlling interests either at their proportionate share of the acquiree's identifiable net assets at the date of acquisition or at its fair value.

Where a put option is held by a non-controlling interest in a subsidiary, whereby that party can require the Group to acquire the NCI's shareholding in the subsidiary at a future date, but the NCI retain present access to the results of the subsidiary, the Group applies the present access method of accounting to this arrangement. The Group recognises a put option liability at its discounted fair value, being the Group's estimate of the amount required to settle that liability with a corresponding reserve in equity. Any subsequent remeasurements of put option liability due to changes in the fair value of the put liability estimation are recognised in the equity and not in the consolidated statement of profit or loss.

vi. Structured entities

Structured entities are those entities that have been designed so that voting or similar rights are not the dominant factor in deciding who controls the entity and the relevant activities of these entities are directed by means of contractual arrangements. The Group has established various structured entities for issuing various sukuk certificates and subordinated perpetual certificates. The Group does not have any direct or indirect shareholding in these entities. The Group controls and consolidates these structured entities as it is exposed to, or has rights to, variable returns from its involvement with these entities and has the ability to affect those returns through its power over these entities.

vii. Investments in associates and joint ventures

The Group's interest in equity-accounted investees comprise interest in associates and joint ventures. An associate is an entity over which the Group has significant influence. A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture.

Investments in equity-accounted investees are accounted for using the equity method and are initially recorded at cost including transaction costs. The Group's investment includes fair value adjustments (including goodwill) net of any accumulated impairment losses.

At each reporting date, the Group determines whether there is any objective evidence that the investments in the equity-accounted investees are impaired. If this is the case, the Group calculates the amount of impairment as the difference between the recoverable amount of the equity-accounted investees and its carrying value and recognises the same in the consolidated statement of profit or loss.

viii. Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements. Unrealised gains arising from the 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.

b) Foreign currency

i. Functional and presentation currency

The functional currency of the Company is UAE Dirhams. Items included in the financial statements of each of the Group's entities are measured using the currency of the primary environment in which it operates (functional currency). These consolidated financial statements are presented in US dollar ("USD"), which is the Group's presentation currency. All amounts have been rounded to the nearest thousand, unless otherwise indicated.

ii. Foreign currency transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognised in the consolidated statement of profit or loss.

Non-monetary assets and liabilities denominated in foreign currency are translated to the functional currency of each entity at the foreign exchange rate ruling at the date of transaction with no further re-measurement in future.

iii. Foreign operations

For the preparation of consolidated financial statements, the differences arising on translation of financial statements of foreign operations into USD are recognised in other comprehensive income and accumulated in the translation reserve except to the extent of share of non-controlling interests in such differences. Accumulated translation differences are recycled to profit or loss on de-recognition of foreign operations as part of the gain or loss on such derecognition. In case of partial derecognition, accumulated differences proportionate to the stake derecognised are recycled.

3. Significant accounting policies (continued)

b) Foreign currency (continued)

iii. Foreign operations (continued)

If the settlement of a monetary item receivable from or payable to a foreign operation is neither planned nor likely to occur in the foreseeable future, then foreign currency differences arising from such item form part of the net investment in the foreign operation. Accordingly, such differences are recognised in the consolidated statement of other comprehensive income and accumulated in the translation reserve.

Foreign currency differences arising on the retranslation of a financial liability designated as a hedge of a net investment in a foreign operation are recognised in the consolidated statement of other comprehensive income, to the extent that the hedge is effective.

c) Financial instruments

i. Non-derivative financial assets

Classification, initial recognition and measurement

Under IFRS 9 *Financial Instruments*, on initial recognition, a financial asset is classified and measured at:

- Amortised cost;
- Fair value through other comprehensive income ('FVOCI') - debt instrument;
- FVOCI - equity instrument; or
- Fair value through profit or loss ('FVTPL').

The classification of financial assets under IFRS 9 is generally based on the business model in which a financial asset is managed and also on the basis of the contractual cash flows characteristics of the financial instrument.

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

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

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

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

Derecognition of financial assets

The Group derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred and it does not retain control of the financial asset.

3. Significant accounting policies (continued)

c) Financial instruments (continued)

ii. Non-derivative financial liabilities

Classification, initial recognition and measurement

Under IFRS 9, financial liabilities at inception can be classified either at amortised cost or FVTPL.

The Group's non-derivative financial liabilities consist of loans and borrowings, lease liabilities, bank overdrafts, amounts due to related parties, and trade and other payables. All non-derivative financial liabilities are recognised initially at fair value less any directly attributable transaction costs. The Group classifies all its non-derivative financial liabilities as financial liabilities to be carried at amortised cost using effective interest method.

The subsequent measurement of non-derivative financial liabilities are carried at their amortised cost using the effective interest method.

The Group derecognises a financial liability when its contractual obligations are discharged or cancelled or expired. 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.

Convertible bond

Convertible bonds issued by the Group are denominated in USD and can be converted into ordinary shares. Convertible bonds are split into two components: a debt component and a component representing the embedded derivative in the convertible bond. The debt component represents a non-derivative financial liability for future coupon payments and the redemption of the principal amount. The embedded derivative, a financial derivative liability, represents the value of the option that bond holders can convert into ordinary shares. The Group has not recorded the embedded derivative within equity due to the existence of cash settlement terms with the Company.

iii. Derivative financial instruments and hedge accounting

The Group holds derivative financial instruments such as forward currency contracts and interest rate swaps to hedge its cash flows exposed to risk of fluctuations in foreign currencies and interest rates.

The Group has elected to adopt the new general hedge accounting model in IFRS 9. This requires the Group to ensure that hedge accounting relationships are aligned with its risk management objectives and strategy and to apply a more qualitative and forward-looking approach to assessing hedge effectiveness.

Initial recognition

Derivatives are recognised initially at fair value. Subsequent to initial recognition, derivatives are measured at fair value, and changes therein are either recognised in the consolidated statement of profit or loss or the consolidated statement of other comprehensive income.

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

On initial designation of the derivatives as the hedging instrument, the Group formally documents the risk management objective and strategy for undertaking the hedge. The Group also documents the economic relationship between the hedging instrument and hedged item, including whether the changes in cash flows of the hedged item and hedging instrument are expected to offset each other together with the methods that will be used to assess the effectiveness of the hedging relationship.

3. Significant accounting policies (continued)

c) Financial instruments (continued)

iii. Derivative financial instruments and hedge accounting (continued)

Subsequent measurement

Changes in the fair value of the derivative hedging instrument designated as a cash flow hedge are recognised directly in consolidated statement of other comprehensive income to the extent that the hedge is effective and presented in the hedging reserve in equity. Any ineffective portion of changes in the fair value of the derivative is recognised immediately in the consolidated statement of profit or loss.

When the hedged item is a non-financial asset, the amount recognised in the consolidated statement of other comprehensive income is transferred to the carrying amount of the asset when it is recognised. In other cases, the amount recognised in consolidated statement of other comprehensive income is transferred to the consolidated statement of profit or loss in the same period that the hedged item affects the consolidated statement of profit or loss.

When a derivative instrument or a non-derivative financial liability is designated as the hedging instrument in a hedge of a net investment in a foreign operation, the effective portion of, for a derivative, changes in the fair value of the hedging instrument or, for a non-derivative, foreign exchange gains and losses is recognised in OCI and presented in the translation reserve within equity. Any ineffective portion of the changes in the fair value of the derivative or foreign exchange gains and losses on the non-derivative is recognised immediately in profit or loss. The amount recognised in OCI is reclassified to profit or loss as a reclassification adjustment on disposal of the foreign operation.

Derivative instruments that are not designated as hedging instruments in hedge relationships are classified as financial liabilities or assets at fair value through profit or loss.

Derecognition

If the hedging instrument no longer meets the criteria for hedge accounting, expires or is sold, terminated or exercised, or the designation is revoked, then hedge accounting is discontinued prospectively. The cumulative gain or loss previously recognised in consolidated statement of other comprehensive income remains there until the forecast transaction or firm commitment occurs. If the forecast transaction or firm commitment is no longer expected to occur, then the balance in equity is reclassified to the consolidated statement of profit or loss.

d) Property, plant and equipment

i. Recognition and measurement

Items of property, plant and equipment are measured at cost less accumulated depreciation and impairment losses (refer to note 3(j)*(i)*).

Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of a self-constructed asset includes the cost of materials and direct labour, any other costs directly attributable to bringing the asset to a working condition for its intended use and the cost of dismantling and removing the items and restoring the site on which they are located. Such property, plant and equipment does not directly increase the future economic benefits of any particular existing item of property, plant and equipment, but may be necessary for an entity to obtain the future economic benefits from its other assets.

Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

Capital work-in-progress is measured at cost less impairment losses and not depreciated until such time the assets are ready for intended use and transferred to the respective category under property, plant and equipment.

3. Significant accounting policies (continued)

d) Property, plant and equipment (continued)

Dredging

Dredging expenditure is categorised into capital dredging and major maintenance dredging. Capital dredging is expenditure which includes creation of a new harbour, deepening or extension of the channel berths or waterways in order to allow access to larger ships which will result in future economic benefits for the Group. This expenditure is capitalised and amortised over the expected period of the relevant concession agreement. Major maintenance dredging is expenditure incurred to restore the channel to its previous condition and depth. Maintenance dredging is regarded as a separate component of the asset and is capitalised and amortised evenly over 10 years.

ii. Subsequent costs

The cost of replacing part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Group and its cost can be measured reliably.

iii. Depreciation

Land and capital work in progress are not depreciated. Depreciation on other assets is recognised in the consolidated statement of profit or loss on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment and is based on cost less residual value. Leased assets are depreciated on straight-line basis over their estimated useful lives or lease term whichever is shorter.

The estimated useful lives of assets are as follows:

Assets	**Useful life (years)**
Buildings	5 – 50
Plant and equipment	3 – 30
Vessels	5 – 30
Dredging (included in land and buildings)	10 – 99

Dredging costs are depreciated on a straight line basis based on the lives of various components of dredging.

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

iv. Borrowing costs

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

e) Investment properties

Investment property is measured initially at cost, including related transaction costs and where applicable borrowing costs. After initial recognition, investment property is carried at cost less accumulated depreciation and impairment, if any. Subsequent expenditure is capitalised to the asset's carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the Group and the cost of the item can be measured reliably.

Investment property under construction is not depreciated until such time as the relevant assets are completed and commissioned.

3. Significant accounting policies (continued)

e) Investment properties (continued)

Land is not depreciated. Depreciation is calculated using the straight-line method to allocate the cost to the residual values over the estimated useful lives, as follows:

Assets	**Useful life (years)**
Buildings	20 – 50
Infrastructure	5 – 50

The useful lives and depreciation methods are reviewed periodically to ensure that the method and period of depreciation are consistent with the expected pattern of economic benefits from these assets.

f) Land use rights

Land use rights represents the prepaid lease payments of leasehold interests in land under operating lease arrangements. These rights are amortised using the straight-line method to allocate the cost over the term of rights of 99 years.

g) Goodwill

Goodwill arises on the acquisition of subsidiaries and equity-accounted investees. Goodwill represents the excess of the cost of the acquisition over the Group's interest in the net fair value of the identifiable assets and liabilities of the acquiree.

Goodwill is measured at cost less accumulated impairment losses (refer to note 3(j)*(i)*). Goodwill is not amortised but is tested for impairment annually, or more frequently if events or changes in circumstances indicate that it might be impaired. An impairment loss in respect of goodwill is not reversed.

In respect of equity-accounted investees, the carrying amount of goodwill is included in the carrying amount of the investment and is not tested for impairment separately.

h) Port concession rights

The Group classifies the port concession rights as intangible assets as the Group bears demand risk over the infrastructure assets. Substantially all of the Group's terminal operations are conducted pursuant to long-term operating concessions or leases entered into with the owner of a relevant port for terms generally between 25 and 50 years (excluding the port concession rights relating to equity-accounted investees). The Group commonly starts negotiations regarding renewal of concession agreements with approximately 5-10 years remaining on the term and often obtains renewals or extensions on the concession agreements in advance of their expiration in return for a commitment to make certain capital expenditures in respect of the subject terminal. In addition, such negotiations may result in the re-basing of rental charges to reflect prevailing market rates. However, based on the Group's experience, incumbent operators are typically granted renewal often because it can be costly for a port owner to switch operators, both administratively and due to interruptions to port operations and reduced productivity associated with such transactions. Port concession rights consist of:

i. Port concession rights arising on business combinations

The cost of port concession rights acquired in a business combination is the fair value as at the date of acquisition.

Following initial recognition, port concession rights are carried at cost less accumulated amortisation and any accumulated impairment losses (refer to note 3(l)*(i)*). The useful lives of port concession rights are assessed to be either finite or indefinite.

Port concession rights with finite lives are amortised on a straight-line basis over the useful economic life and assessed for impairment whenever there is an indication that the port concession rights may be impaired. The amortisation period and amortisation method for port concession rights with finite useful lives are reviewed at least at each financial year end. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the assets are accounted for by changing the amortisation period or method, as appropriate, and treated as changes in accounting estimates. The amortisation expenses on port concession rights with finite useful lives are recognised in the consolidated statement of profit or loss on a straight-line basis.

Port concession rights with indefinite lives (arising where freehold rights are granted) are not amortised and are tested for impairment at least on an annual basis or when the impairment indicator exists, either individually or at the cash-generating unit level. The useful life of port concession rights with an indefinite life is reviewed annually to determine whether the indefinite life assessment continues to be supportable. If not, the change in the useful life assessment from indefinite to finite is made on a prospective basis.

3. Significant accounting policies (continued)

h) Port concession rights (continued)

ii. Port concession rights arising from Service Concession Arrangements (IFRIC 12)

The Group recognises port concession rights arising from a service concession arrangement, in which the grantor (government or port authorities) controls or regulates the services provided and the prices charged, and also controls any significant residual interest in the infrastructure such as property, plant and equipment, if the infrastructure is existing infrastructure of the grantor or the infrastructure is constructed or purchased by the Group as part of the service concession arrangement.

Any amounts paid by the operator to the grantor as a consideration for obtaining the rights relating to concession arrangements are also accounted as part of port concession rights. These port concession rights are amortised over the life of the concession period on straight line basis.

Port concession rights also include certain property, plant and equipment which are reclassified as intangible assets in accordance with IFRIC 12 '*Service Concession Arrangements'.* These assets are amortised based on the lower of their useful lives or concession period.

Gains or losses arising from de-recognition of port concession rights are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the consolidated statement of profit or loss when the asset is derecognised.

The estimated useful lives for port concession rights range within a period of 15 – 50 years (including the concession rights relating to equity-accounted investees).

i) Properties held for development and sale

Properties acquired, constructed or in the course of construction for sale are classified as properties held for development and sale. Properties held for development and sale are stated at the lower of cost or net realisable value.

Cost includes the cost of right to reclaim the land, cost of infrastructure, construction and other related expenditure such as professional fees and engineering costs attributable to the project, which are capitalised as and when the activities, that are necessary to enable the assets to be ready for the intended use are in progress. Net realisable value represents the estimated selling price in the ordinary course of business, based on market prices at the reporting date discounted for the time value of money, if material, less costs to complete and costs to be incurred in selling the property.

The Group reviews the carrying values of the properties held for development and sale at each reporting date for any impairment.

j) Inventories

Inventories mainly consist of spare parts and consumables. Inventories are measured at the lower of cost and net realisable value. The cost of inventories is based on weighted average method and includes expenditure incurred in acquiring inventories and bringing them to their existing location and condition. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

k) Leases

i. Group as a lessee

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 over the shorter of the asset's useful life or the lease term on a straight-line basis. If the Group is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

3. Significant accounting policies (continued)

k) Leases (continued)

i. Group as a lessee (continued)

Payments associated with short-term leases and leases of low-value assets are recognised on a straight-line basis as an expense in statement of profit or loss.

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.

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 payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the group, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

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 and lease liabilities separately on statement of financial position.

Variable lease payments that depend on revenue and output are recognised in statement of profit or loss in the period in which the condition that triggers those payments occurs.

3. Significant accounting policies (continued)

k) Leases (continued)

ii. Group as a lessor

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.

The Group recognises lease payments received under operating leases as income on a straight-line basis over the lease term as part of revenue (refer to note 3 (p)*(iii)*).

l) Impairment

i. Non-financial assets

The carrying amounts of the Group's non-financial assets, other than inventories and deferred tax assets are reviewed for impairment whenever there is an indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

For impairment testing, the assets are grouped together into smallest group of assets (cash generating unit or "CGU") that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs.

Goodwill and port concession rights with infinite useful lives, as part of their respective cash-generating units, are also reviewed for impairment at each reporting date or at least once in a year regardless of any indicators of impairment. The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or cash generating unit.

Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the units and then to reduce the carrying amount of the other assets in the unit (group of units) on a pro-rata basis.

In respect of non-financial assets (other than goodwill), impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount, which would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

ii. Impairment of non-derivative financial assets

IFRS 9 replaces the 'incurred loss' model in IAS 39 with an 'expected credit loss' (ECL) model. The new impairment model applies to financial assets measured at amortised cost, contract assets and debt investments at FVOCI, but not to investments in equity instruments. Under IFRS 9, credit losses are recognised earlier than under IAS 39.

The financial assets at amortised cost consist of trade receivables and cash and cash equivalents.

3. Significant accounting policies (continued)

l) Impairment (continued)

ii. Impairment of non-derivative financial assets (continued)

Under IFRS 9, loss allowances are measured on either of the following bases:

- 12-month ECLs: these are ECLs that result from possible default events within the 12 months after the reporting date; and
- lifetime ECLs: these are ECLs that result from all possible default events over the expected life of a financial instrument.

The Group measures loss allowances at an amount equal to lifetime ECLs. 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 and including forward-looking information.

The Group considers a financial asset to be in default when:

- the borrower is unlikely to pay credit obligations to the Group in full, without recourse by the Group to actions such as realising security (if any are held); or
- the financial asset is more than 180 days past due.

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

m) Employee benefits

i. Pension and post-employment benefits

Defined contribution plans

A defined contribution plan is a post-employment benefit plan in which the Company pays the fixed contribution to a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution plans are recognised as an expense in the consolidated statement of profit or loss during which the services are rendered by employees.

Defined benefit plans

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan.

The Group's net obligation in respect of defined benefit pension plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods. That benefit is discounted to determine the present value, and the fair value of any plan asset is deducted to arrive at net obligation. The calculation is performed annually by a qualified actuary using the projected unit credit method which attributes entitlement to benefits to the current period (to determine current service cost) and to the current and prior periods (to determine the present value of defined benefit obligation) and is based on actuarial advice.

Re-measurements 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) are recognised directly in the consolidated statement of other comprehensive income. The cost of providing benefits under the defined benefit plans is determined separately for each plan.

Contributions, including lump sum payments, in respect of defined contribution pension schemes and multi-employer defined benefit schemes where it is not possible to identify the Group's share of the scheme, are charged to the consolidated statement of profit or loss as they fall due.

3. Significant accounting policies (continued)

m) Employee benefits (continued)

ii. 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.

n) Provisions

Provisions for environmental restoration, restructuring costs and legal claims 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. Restructuring provisions comprise lease termination penalties and employee termination payments. Provisions are not recognised for future operating losses.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using 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 as a finance cost in the consolidated statement of profit or loss.

o) Hybrid equity instrument

The subordinated perpetual certificates (“hybrid bond”) issued by the Group incorporate options for redemption at the initiative of the Company. These options may be exercised after a minimum period that depends on the specific terms of the issue, and subsequently at each coupon date or in the event of highly specific circumstances. The annual coupon rate is fixed and reviewable based on contractual clauses that vary according to the specific terms of the issuance. There is no contractual obligation for the Company to make any profit payment, due to the existence of contractual clauses entitling it to defer payment indefinitely. However, those clauses stipulate that any deferred payments must be made in the event of a dividend distribution to the shareholders. All these features give the Company an unconditional right to avoid paying out cash or another financial asset for the principal or profit. Consequently, in compliance with IAS 32, these subordinated perpetual bonds are recorded as hybrid equity instrument, net of transaction costs and any coupon payment made is treated as dividends (refer to note 32).

p) Revenue

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services.

The Group’s revenue mainly consists of port related services (containerised stevedoring, break bulk and general cargo), service concession revenue, lease rentals, drydocking, maritime and logistics services and revenue from sale of plots of land.

The following specific recognition criteria must also be met before revenue is recognised:

i. Rendering of port related services

The Group’s revenue mainly consists of port related services (containerised stevedoring, break bulk, general cargo, and marine services) which are generally carried out in a short span of time. These port related services are contracted with the customers as a single transaction. These port related services have high degree of integration and accordingly, constitute a single distinct performance obligation for the Group. Revenue from these services is recognised at the point in time when the services are rendered to the customer and are usually payable within 30 to 45 days.

The Group also provides container storage services at the request of the customer based on the usage period in the storage yard which constitute a separate distinct performance obligation. Revenue from container storage services is recognised over a period of storage days and are usually payable within 30 to 45 days.

For revenue recognition, the Group determines the transaction price in accordance with the tariff rates published by the port authorities in certain jurisdictions or agreed rates with the customers.

3. Significant accounting policies (continued)

p) Revenue (continued)

ii. Service concession arrangements

Revenues relating to construction contracts which are entered into with government authorities for the construction of the infrastructure necessary for the provision of services are measured at the fair value of the consideration received or receivable. Revenue from service concession arrangements is recognised based on the fair value of construction work performed at the reporting date. The Group recognises revenue and costs relating to construction services over a period of time by reference to the stage of completion of the contract using the input method.

iii. Lease rentals and services from economic zones

A lease rental is recognised on a straight line basis over the lease term. Where the consideration for the lease is received for subsequent period, the attributable amount of revenue is deferred and recognised in the subsequent period. Unrecognised revenue is classified as deferred revenue under liabilities in the consolidated statement of financial position.

Revenue from administrative service, license and registration is recognised at the point in time when the services are rendered to the customer.

iv. Revenue from drydocking services

Revenue from drydocking services includes revenue from ship repair services, conversions, ship building, ship lifting, docking and undocking services.

Revenue from ship repair services, conversions and ship building is recognised over a period of time by reference to the stage of completion of the contract using the surveys of work performed and cost-to-cost method. Provisions for foreseeable losses are made in full, as soon as they are anticipated. When the outcome of a construction contract cannot be estimated reliably, contract revenue is recognised to the extent of contract costs incurred that is probable will be recoverable. Advances received are included in contract liabilities.

Revenue from ship lifting, docking and undocking of vessels is recognised at the point in time when the customer consumes and takes the benefit of the services.

v. Revenue from maritime and logistics services

Revenue from maritime and logistics services is recognised over a period of time when the services are rendered to the customer.

vi. Revenue from sale of plots of land

Revenue from sale of plots of land is recognised when the control is transferred to the buyer. Control generally transfers when the customer has an ability to direct its use and obtains substantially all of its economic benefits.

3. Significant accounting policies (continued)

q) Finance income and costs

Finance income comprises interest income on cash and cash equivalents and gains on hedging instruments that are recognised in the consolidated statement of profit or loss. Interest income is recognised as it accrues, using the effective interest method.

Finance costs comprises interest expense on borrowings, unwinding of discount on provisions, impairment losses recognised on financial assets, losses on hedging instruments and fair value changes of debt instruments that are recognised in the consolidated statement of profit or loss.

Finance income and costs also include realised and unrealised exchange gains and losses on monetary assets and liabilities (refer to note 3 (b)*(ii)*).

r) Income tax

Income tax expense comprises current and deferred tax. Income tax expense is recognised in the consolidated statement of profit or loss except to the extent that it relates to a business combination, or items recognised directly in consolidated statement of other comprehensive income.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the reporting date in the countries where the Group operates and generates taxable income. It also includes any adjustment to tax payable in respect of previous years.

Deferred tax is recognised using the liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax reflects the manner of recovery of underlying assets and is measured at the prevailing tax rates that are expected to be applied to the temporary differences when they reverse.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which temporary differences can be utilized. Deferred tax assets are reviewed periodically and reduced to the extent that it is no longer probable that the related tax benefit will be realized.

Current tax and deferred tax assets and liabilities are offset only if certain criteria are met.

s) Segment reporting

An operating segment is a component of the Group that engages in business activities from which it may earn revenue and incur expenses, including revenues and expenses that relate to transactions with any of the Group’s other components for which discrete financial information is available. All operating segments’ operating results are reviewed regularly by the Company’s Board of Directors (‘Chief Operating Decision Maker’) to assess performance.

t) Separately disclosed items

The Group presents, as separately disclosed items on the face of the consolidated statement of profit or loss, those items of income and expense which, because of the nature and expected infrequency of the events giving rise to them, merit separate presentation to allow users to understand better, the elements of financial performance in the period, so as to facilitate a comparison with prior periods and a better assessment of trends in financial performance.

4. Segment information

The Group has identified the following geographic areas as its basis of segmentation.

- Asia Pacific and India
- Australia and Americas
- Middle East, Europe and Africa

In addition to the above reportable segments, the Group reports unallocated head office costs, finance costs, finance income and tax expense under the head office segment.

Each of these operating segments have an individual appointed as Segment Director responsible for these segments, who in turn reports to the Chief Operating Decision Maker.

The Group measures segment performance based on the earnings before separately disclosed items, interest, tax, depreciation and amortisation ("Adjusted EBITDA"). Although this is a non-IFRS measure, this will provide additional information to the users of the consolidated financial statements.

The Chief Operating Decision Maker also monitors certain key performance ratios from the perspective of capital management which are disclosed in note 36.

Segment capital expenditure is the total cost incurred during the year to acquire property, plant and equipment, investment property, and port concession rights other than goodwill and right of assets added under IFRS 16 - Leases.

DP World Limited and its subsidiaries

Notes to consolidated financial statements *(continued)*

4. Segment information (continued)

The following table presents certain results, assets and liabilities information regarding the Group's segments.

	Asia Pacific and India		**Australia and Americas**		**Middle East, Europe and Africa**		**Head office**		**Total**	
	2020	2019	**2020**	2019	**2020**	2019	**2020**	2019	**2020**	2019
	USD'000	USD'000	**USD'000**	USD'000	**USD'000**	USD'000	**USD'000**	USD'000	**USD'000**	USD'000
Revenue	**793,250**	615,517	**1,713,277**	1,401,613	**6,026,036**	5,668,808	**-**	-	**8,532,563**	7,685,938
Adjusted EBITDA	**362,782**	347,478	**590,228**	437,195	**2,595,521**	2,725,980	**(229,076)**	(205,073)	**3,319,455**	3,305,580
Finance income*	**-**	-	**-**	-	**-**	-	**144,624**	103,422	**144,624**	103,422
Finance costs*	**-**	-	**-**	-	**-**	-	**(982,865)**	(818,965)	**(982,865)**	(818,965)
Tax expense*	**-**	-	**-**	-	**-**	-	**(194,759)**	(186,150)	**(194,759)**	(186,150)
Depreciation and amortisation	**(116,196)**	(93,528)	**(270,965)**	(214,047)	**(913,277)**	(746,826)	**(6,317)**	(8,053)	**(1,306,755)**	(1,062,454)
Adjusted net profit/ (loss) before separately disclosed items	**246,586**	253,950	**319,263**	223,148	**1,682,244**	1,979,154	**(1,268,393)**	(1,114,819)	**979,700**	1,341,433
Adjusted for separately disclosed items	**(2,425)**	(31,112)	**8,425**	(79,780)	**(58,497)**	(47,810)	**14,799**	11,822	**(37,698)**	(146,880)
Profit/ (loss) for the year	**244,161**	222,838	**327,688**	143,368	**1,623,747**	1,931,344	**(1,253,594)**	(1,102,997)	**942,002**	1,194,553

*Net finance cost and tax expense from various geographical locations and head office have been grouped under head office.

DP World Limited and its subsidiaries

Notes to consolidated financial statements *(continued)*

4. Segment information (continued)

	Asia Pacific and India		Australia and Americas		Middle East, Europe and Africa		Head office		Inter-segment		Total	
	2020	2019	**2020**	2019	**2020**	2019	**2020**	2019	**2020**	2019	**2020**	2019
	USD'000	USD'000	**USD'000**	USD'000	**USD'000**	USD'000	**USD'000**	USD'000	**USD'000**	USD'000	**USD'000**	USD'000
Segment assets	**4,670,735**	4,182,808	**7,144,104**	6,020,083	**25,248,987**	24,497,625	**17,219,567**	16,385,259	**(16,941,035)**	(17,023,255)	**37,342,358**	34,062,520
Segment liabilities	**600,719**	499,314	**2,693,965**	2,159,692	**10,020,425**	10,133,693	**13,853,444**	14,125,189	**(6,344,453)**	(6,761,441)	**20,824,100**	20,156,447
Tax liabilities*	**-**	-	**-**	-	**-**	-	**1,117,749**	1,058,855	**-**	-	**1,117,749**	1,058,855
Total liabilities	**600,719**	499,314	**2,693,965**	2,159,692	**10,020,425**	10,133,693	**14,971,193**	15,184,044	**(6,344,453)**	(6,761,441)	**21,941,849**	21,215,302
Capital expenditure	**162,485**	69,406	**190,812**	301,013	**663,850**	731,179	**58,882**	44,754	**-**	-	**1,076,029**	1,146,352
Depreciation	**46,583**	44,528	**164,003**	132,553	**655,664**	516,840	**6,317**	7,860	**-**	-	**872,567**	701,781
Amortisation	**69,613**	49,000	**106,962**	81,494	**257,613**	229,986	**-**	193	**-**	-	**434,188**	360,673
Impairment loss	**-**	-	**894**	-	**6,888**	32,092	**-**	-	**-**	-	**7,782**	32,092
Share of profit/(loss) of equity-accounted investees before separately disclosed items	**84,178**	108,065	**7,825**	25,528	**29,548**	19,708	**-**	-	**-**	-	**121,551**	153,301
Tax expense*	**-**	-	**-**	-	**-**	-	**141,196**	186,150	**-**	-	**141,196**	186,150
Revenue consists of:												
Revenue from ports and terminals	**433,976**	485,489	**1,489,360**	1,148,301	**2,577,515**	2,535,287	**-**	-	**-**	-	**4,500,851**	4,169,077
Drydocking, maritime and logistics services	**359,274**	130,028	**223,917**	253,312	**2,796,919**	2,153,852	**-**	-	**-**	-	**3,380,110**	2,537,192
Lease rentals and services from economic zones	**-**	-	**-**	-	**558,984**	578,951	**-**	-	**-**	-	**558,984**	578,951
Revenue from sale of plots of land	**-**	-	**-**	-	**92,618**	400,718	**-**	-	**-**	-	**92,618**	400,718
Total revenue	**793,250**	615,517	**1,713,277**	1,401,613	**6,026,036**	5,668,808	**-**	-	**-**	-	**8,532,563**	7,685,938
Timing of revenue recognition At a point in time	**412,745**	465,250	**1,387,670**	1,076,565	**2,535,147**	2,841,843	**-**	-	**-**	-	**4,335,562**	4,383,658
Over time	**380,505**	150,267	**325,607**	325,048	**3,490,889**	2,826,965	**-**	-	**-**	-	**4,197,001**	3,302,280
Total revenue	**793,250**	615,517	**1,713,277**	1,401,613	**6,026,036**	5,668,808	**-**	-	**-**	-	**8,532,563**	7,685,938

*Tax liabilities and tax expenses from various geographical locations have been grouped under head office.

5. Revenue

	2020	2019
	USD'000	USD'000
Revenue consists of:		
Revenue from ports and terminals	**4,500,851**	4,169,077
Drydocking, maritime and logistics services	**3,380,110**	2,537,192
Lease rentals and services from economic zones	**558,984**	578,951
Revenue from sale of plots of land*	**92,618**	400,718
Total	**8,532,563**	7,685,938

For geographical segmentation of above revenue refer to note 4.

The above revenue includes revenue from contracts with customers under IFRS 15 amounting to USD 7,338,919 thousand (2019: USD 6,606,456 thousand).

The above revenue includes revenue recognised over a period of time amounting to USD 4,197,001 thousand (2019: USD 3,302,280 thousand).

29.3% (2019: 29.2%) of the Group's revenue is derived from the top ten customers.

* 2019 includes sale of plot of land to Emaar Development PJSC ("Emaar") for a development project in Port Rashid in Dubai. Emaar will utilise this land for developing the Mina Rashid area and the Group will receive the agreed sales consideration between the fourth and ninth year after commencement of operations. The transaction was completed in June 2019 with the transfer of control of land to Emaar and accordingly the Group has recorded a revenue of USD 314,558 thousand (at discounted value of the deferred sales consideration).

6. Profit for the year

	2020	2019
	USD'000	USD'000
Profit for the year is stated after charging the following costs:		
Staff costs	**1,920,038**	1,620,138
Depreciation and amortisation	**1,306,755**	1,062,454
Impairment loss (refer to note 9)	**7,782**	32,092

7. Finance income and costs

	2020	2019
	USD'000	USD'000
Finance income		
Interest income*	**115,230**	82,990
Exchange gains	**29,394**	20,432
Finance income before separately disclosed items	**144,624**	103,422
Separately disclosed items (refer to note 9)	**9,773**	43,026
Finance income after separately disclosed items	**154,397**	146,448
Finance costs		
Interest expense on loans and borrowings **	**(710,415)**	(633,717)
Interest expense on lease liabilities	**(168,562)**	(138,749)
Exchange losses	**(97,048)**	(38,929)
Other net financing expense in respect of pension plans	**(6,840)**	(7,570)
Finance costs before separately disclosed items	**(982,865)**	(818,965)
Separately disclosed items (refer to note 9)	**(44,433)**	(31,205)
Finance costs after separately disclosed items	**(1,027,298)**	(850,170)
Net finance costs after separately disclosed items	**(872,901)**	(703,722)

* This includes interest income of USD 45,774 thousand (2019: Nil) on loan given to Parent Company.

** This includes interest expenses of USD 43,626 thousand (2019: 35,414 thousand) on loans from non-controlling shareholders.

DP World Limited and its subsidiaries

Notes to the consolidated financial statements *(continued)*

8. Income tax

The major components of income tax expense for the year ended 31 December:

	2020	2019
	USD'000	USD'000
Current tax expense		
Current year	**211,793**	215,600
Change in estimates related to prior years	**(7,359)**	(10,456)
	204,434	205,144
Deferred tax credit	**(63,238)**	(18,994)
Income tax expense	**141,196**	186,150
Share of income tax of equity-accounted investees	**52,051**	52,876
Total tax expense	**193,247**	239,026
Tax recognised in statement of other comprehensive income and retained earnings		
Current tax in OCI	**891**	1,323
Deferred tax in OCI	**5,963**	832
Current tax retained earnings adjustment on initial application of IFRS 16	**-**	193
Deferred tax retained earnings adjustment on initial application of IFRS 16	**-**	20,872
Total	**6,854**	23,220
Income tax balances included in the consolidated statement of financial position:		
Income tax receivable (included within accounts receivable and prepayments)	**10,351**	4,654
Income tax liabilities	**119,367**	120,888

8. Income tax (continued)

The relationship between the total tax expense and the accounting profit can be explained as follows:

		2020	2019
		USD'000	USD'000
Net profit before tax		**1,083,198**	1,380,703
Tax at the Company's domestic rate of 0% (2019: 0%)		**-**	-
Effect of tax rates in foreign jurisdictions		**190,887**	142,109
Net current year tax losses incurred, on which deferred tax is not recognised		**19,878**	38,450
Tax charge of equity-accounted investees		**52,051**	52,876
Effect of tax rate changes on deferred tax		**20,990**	5,267
Deferred tax in respect of fair value adjustments		**(21,536)**	(17,946)
Others		**(21,223)**	29,747
Tax expense before prior year adjustments		**241,047**	250,503
Change in estimates related to prior years:			
- current tax		**(7,359)**	(10,456)
- deferred tax		**(40,441)**	(1,021)
Total tax expense	**(A)**	**193,247**	239,026
Adjustment for separately disclosed items		**53,563**	-
Total tax expense from operations before separately disclosed items	**(B)**	**246,810**	239,026
Net profit before tax		**1,083,198**	1,380,703
Adjustment for share of income tax of equity-accounted investees		**52,051**	52,876
Adjusted profit before tax	**(C)**	**1,135,249**	1,433,579
Adjustment for separately disclosed items		**91,261**	146,880
Adjusted profit before tax and before separately disclosed items	**(D)**	**1,226,510**	1,580,459
Effective tax rate	**(A/C)**	**17.02%**	16.67%
Effective tax rate before separately disclosed items	**(B/D)**	**20.12%**	15.12%

Group tax rates

The Group is not subject to income tax on its UAE operations. The total tax expense relates to the tax payable on the profit earned by the overseas subsidiaries and equity-accounted investees as adjusted in accordance with the taxation laws and regulations of the countries in which they operate. The applicable tax rates in the regions in which the Group operates are set out below:

Geographical segments	*Applicable corporate tax rate*
Asia Pacific and India	10% to 34.9%
Australia and Americas	0% to 36.0%
Middle East, Europe and Africa	0% to 35.0%

8. Income tax (continued)

Group tax rates (continued)

Movement in temporary differences during the year:

	1 January 2020	Recognised in consolidated statement of profit or loss	Acquisitions in the period	Translation and other movements	31 December 2020
	USD'000	USD'000	USD'000	USD'000	USD'000
Deferred tax liabilities					
Property, plant and equipment	195,485	39,932	4,602	945	240,964
Investment in equity-accounted investees	23,076	2,376	-	721	26,173
Fair value of acquired intangibles	519,767	(6,717)	62,436	21,140	596,626
Others	291,885	(66,982)	(4)	(7,904)	216,995
Total before set off	1,030,213	(31,391)	67,034	14,902	1,080,758
Set off of deferred tax asset against liabilities	(92,246)				(82,376)
Net deferred tax liabilities	937,967				998,382
Deferred tax assets					
Pension and post-employment benefits	10,182	22,568	-	(361)	32,389
Financial instruments	6,729	339	-	105	7,173
Provisions	11,754	1,479	26	688	13,947
Tax value of losses carried forward recognised	63,581	12,307	9,025	(4,939)	79,974
Total before set off	92,246	36,693	9,051	(4,507)	133,483
Set off of deferred tax asset against liabilities	(92,246)				(82,376)
Net deferred tax assets	-				51,107

Deferred tax liabilities have been offset if certain criteria are met.

Deferred tax assets have not been recognised by some of the subsidiaries on their trading losses where utilisation is unclear, either because they have not been agreed with tax authorities, or because of uncertainties of future profits to offset against these losses, or because of the impact of tax holidays. The Group will continuously review/monitor these unrecognised tax losses and will consider recognising them as deferred tax asset in future if there are any significant changes to these assumptions.

	2020			2019		
	Gross amount	**Tax effect**		Gross amount	Tax effect	
	USD'000	**USD'000**	**Expiry date**	USD'000	USD'000	Expiry date
Trading losses - expire	**77,120**	**18,493**	**2021-2026**	93,660	21,286	2020 - 2023
	64,446	**17,556**	**2027-2038**	31,861	7,909	2024 - 2027
	4,749	**1,377**	**2039-2040**	17,763	4,513	2035 - 2039
Trading losses - never expire	**1,431,067**	**401,581**		1,160,682	341,888	
Capital losses - never expire	**231,128**	**43,930**		223,038	42,377	

9. Separately disclosed items

	2020	2019
	USD'000	USD'000
General and administrative expenses		
Restructuring and redundancy costs	**(57,361)**	(9,575)
Acquisition costs	**(8,272)**	(18,760)
Impairment of assets	**(7,782)**	(32,092)
Guaranteed minimum pension costs	**(4,105)**	-
Other income	**3,265**	-
Share of loss from equity-accounted investees	**(97,435)**	(42,652)
Gain/ (loss) on disposal and change in ownership	**115,089**	(55,622)
Finance income	**9,773**	43,026
Finance costs	**(44,433)**	(31,205)
Income tax	**53,563**	-
Total	**(37,698)**	(146,880)

General and administrative expenses:

- Restructuring costs mainly prelate to severance pay associated with redundancies resulting from the impact of COVID-19 on tourist part of our business in a subsidiary in the 'Middle East, Europe and Africa' region and in the 'Australia and Americas' region.
- Acquisition cost represent advisory, legal, valuation, professional consulting, general and administrative costs directly related to various business acquisitions in the Group.
- Impairment of assets relates to subsidiaries in the 'Middle East, Europe and Africa' region and in the 'Australia and Americas' region in 2020 as well as 2019.
- Guaranteed minimum pension (GMP) costs relates to additional costs arising in respect of GMP based on a landmark High Court judgment confirming that UK pension schemes are required to equalise male and female members' benefits.

Other income mainly represents an insurance claim in the 'Middle East, Europe and Africa' region.

Share of loss from equity-accounted investees relates to the Group's share of expenses in technology ventures in the 'Australia and Americas' region and ineffective hedge in an investee in the 'Middle East, Europe and Africa' region in 2020 as well as 2019.

Gain/ (loss) on disposal and change in ownership relates to the gain of USD 119,402 thousand on re-measurement to fair value of the existing stake resulting from obtaining 'control' over an equity-accounted investees in the 'Australia and Americas' region offset by a loss of USD 4,314 thousand on sale of a subsidiary in the 'Middle East, Europe and Africa' region. (2019 related to loss on disposal of equity-accounted investees in the 'Asia Pacific and India' region and the loss on re-measurement to fair value of the existing stake resulting from the acquisition of a controlling stake in an equity-accounted investee in the 'Australia and Americas' region).

Finance income:

a) USD 2,452 thousand (2019: USD 12,496 thousand) relating to hedge ineffectiveness in the 'Middle East, Europe and Africa' region.
b) USD 7,321 thousand (2019: USD 592 thousand) relating to gain recognised on fair valuation of financial instruments in the 'Middle East, Europe and Africa' region.
c) 2020: Nil (2019: USD 29,938 thousand represents change in fair value of convertible bond option).

Finance costs:

a) USD 17,784 thousand (2019: USD 21,627 thousand) represents interest accretion and loss on buy-back of convertible bonds.
b) USD 10,117 thousand (2019: USD 9,578 thousand) relates to hedge ineffectiveness in the 'Middle East, Europe and Africa' region and 'Asia Pacific and India' region.
c) USD 4,032 thousand fair value loss on financial instruments in the 'Middle East, Europe and Africa' region.
d) USD 12,500 thousand of foreign exchange loss on reclassification of a non-monetary asset to monetary asset in the 'Middle East, Europe and Africa' region.

Income tax mainly relates to the release of historic tax risk provision in relation to gain on disposals. This release arises as a result of periodic review of worldwide tax provision position by the Group.

10. Dividends

	2020	2019
	USD'000	USD'000
Declared and paid during the year:		
Final dividend	**332,000**	356,900
Proposed for approval at the annual general meeting		
(not recognised as a liability as at 31 December):		
Final dividend	**219,700**	332,000

11. Property, plant and equipment

	Land and buildings USD'000	Plant and equipment USD'000	Vessels USD'000	Capital work-in-progress USD'000	Total USD'000
Cost					
As at 1 January 2019	4,746,030	5,572,340	451,546	1,533,664	12,303,580
Acquired through business combination	271,747	511,209	1,990,727	10,285	2,783,968
Additions during the year	56,687	152,903	50,705	771,833	1,032,128
Transfers from capital work-in-progress	422,039	190,085	2,239	(614,363)	-
Transfer from intangible assets (refer to note 14)	965	42,162	-	-	43,127
Transfer from right-of-use assets (refer to note 12)	9,688	-	-	-	9,688
Transfers	(54,864)	54,864	-	-	-
Disposals	(30,769)	(66,451)	(22,258)	(1,154)	(120,632)
Translation adjustment	13,727	36,105	43,694	1,425	94,951
As at 31 December 2019	5,435,250	6,493,217	2,516,653	1,701,690	16,146,810
As at 1 January 2020	**5,435,250**	**6,493,217**	**2,516,653**	**1,701,690**	**16,146,810**
Acquired through business combination	**405,786**	**105,895**	**-**	**100,476**	**612,157**
Additions during the year	**68,186**	**99,529**	**41,138**	**736,296**	**945,149**
Transfers from capital work-in-progress	**814,159**	**529,137**	**18,796**	**(1,362,092)**	**-**
Transfer from/(to) intangible assets (refer to note 14)	**88**	**(28,761)**	**-**	**-**	**(28,673)**
Transfer from investment properties (refer to note 13)	**25,592**	**541**	**-**	**4,233**	**30,366**
Transfer to asset held for sale (refer to note 21)	**-**	**-**	**(300,778)**	**-**	**(300,778)**
Disposals	**(17,144)**	**(79,799)**	**(35,965)**	**(3,792)**	**(136,700)**
Translation adjustment	**43,373**	**51,866**	**40,325**	**34,023**	**169,587**
As at 31 December 2020	**6,775,290**	**7,171,625**	**2,280,169**	**1,210,834**	**17,437,918**
Depreciation and impairment					
As at 1 January 2019	1,168,299	2,012,100	162,399	-	3,342,798
Charge for the year	171,396	338,894	89,887	-	600,177
Impairment loss	-	3,474	3,185	7,000	13,659
Transfer from intangible assets (refer to note 14)	32	30,474	-	-	30,506
Transfers	(35,442)	35,442	-	-	-
On disposals	(17,452)	(58,663)	(25,397)	-	(101,512)
Translation adjustment	2,246	16,439	15,762	-	34,447
As at 31 December 2019	1,289,079	2,378,160	245,836	7,000	3,920,075
As at 1 January 2020	**1,289,079**	**2,378,160**	**245,836**	**7,000**	**3,920,075**
Charge for the year	**180,059**	**387,792**	**188,608**	**-**	**756,459**
Impairment loss	**10,262**	**895**	**-**	**-**	**11,157**
Transfer to intangible assets (refer to note 14)	**-**	**(10,584)**	**-**	**-**	**(10,584)**
Transfer to asset held for sale (refer to note 21)	**-**	**-**	**(278,188)**	**-**	**(278,188)**
On disposals	**(15,510)**	**(54,709)**	**(36,235)**	**-**	**(106,454)**
Translation adjustment	**20,574**	**46,023**	**15,203**	**-**	**81,800**
As at 31 December 2020	**1,484,464**	**2,747,577**	**135,224**	**7,000**	**4,374,265**
Net book value					
At 31 December 2019	4,146,171	4,115,057	2,270,817	1,694,690	12,226,735
At 31 December 2020	**5,290,826**	**4,424,048**	**2,144,945**	**1,203,834**	**13,063,653**

11. Property, plant and equipment (continued)

At 31 December 2020, property, plant and equipment with a carrying amount of USD 3,083,867 thousand (2019: USD 3,227,718 thousand) are pledged to bank loans (refer to note 33).

Borrowing costs capitalised to property, plant and equipment amounted to USD 3,302 thousand (2019: USD 13,953 thousand), calculated using a capitalisation rate of 0.3% (2019: 3.0%).

*Certain assets with a net book value of USD 22,590 thousand were classified to asset held for sale (refer note 21)

The fair value of property, plant and equipment recognised as a result of business combination was determined using the income approach model.

12. Right-of-use assets

The Group enters into long lease arrangements that provide the right to use port terminal infrastructure, plant, equipment, vessels and other related assets for carrying out its business operations. The below table represents the carrying amounts of right-of-use assets recognised and the related movements during the year:

	Port concession rights	Plant equipment and vehicles	Vessels	Land and buildings	Total
	USD'000	**USD'000**	**USD'000**	**USD'000**	**USD'000**
Cost					
Recognition on initial application of IFRS 16 as at 1 January 2019	1,398,767	65,761	30,769	67,064	1,562,361
Acquired through business combinations	-	469,526	74,912	-	544,438
Additions during the year	-	11,912	75,453	252	87,617
Transfer to property, plant and equipment (refer to note 11)	(9,688)	-	-	-	(9,688)
Derecognition during the year	(641)	(597)	(3,217)	-	(4,455)
Translation adjustment	30,298	7,380	7,644	444	45,766
As at 31 December 2019	1,418,736	553,982	185,561	67,760	2,226,039
As at 1 January 2020	**1,418,736**	**553,982**	**185,561**	**67,760**	**2,226,039**
Acquired through business combinations	**91,803**	**3,018**	**3,559**	**3,600**	**101,980**
Additions during the year	**105,781**	**34,641**	**100,365**	**21,818**	**262,605**
Lease modifications	**(17,227)**	**(7,142)**	**(13,121)**	**1,332**	**(36,158)**
Transfers	**493**	**5,007**	**(4,000)**	**(1,500)**	**-**
Derecognition during the year	**-**	**(10,660)**	**(52,328)**	**(2,737)**	**(65,725)**
Translation adjustment	**76,058**	**3,356**	**5,635**	**3,663**	**88,712**
As at 31 December 2020	**1,675,644**	**582,202**	**225,671**	**93,936**	**2,577,453**
Amortisation					
Charge for the year	34,897	23,129	81,879	6,351	146,256
Derecognition during the year	(641)	(597)	(3,217)	-	(4,455)
Translation adjustment	219	31	2,596	484	3,330
As at 31 December 2019	34,475	22,563	81,258	6,835	145,131
As at 1 January 2020	**34,475**	**22,563**	**81,258**	**6,835**	**145,131**
Charge for the year	**60,877**	**27,885**	**96,748**	**11,909**	**197,419**
Lease modifications	**(488)**	**(1,812)**	**442**	**1,271**	**(587)**
Derecognition during the year	**-**	**(10,660)**	**(52,328)**	**(2,737)**	**(65,725)**
Translation adjustment	**5,645**	**2,537**	**4,039**	**1,680**	**13,901**
As at 31 December 2020	**100,509**	**40,513**	**130,159**	**18,958**	**290,139**
Net book value					
At 31 December 2019	1,384,261	531,419	104,303	60,925	2,080,908
At 31 December 2020	**1,575,135**	**541,689**	**95,512**	**74,978**	**2,287,314**

12 Right-of-use assets (continued)

Refer to note 34 for underlying lease liabilities with respect to above right-of-use assets.

Following are the amounts which are recognised in consolidated statement of profit or loss and consolidated statement of cash flows:

	2020	2019
	USD'000	USD'000
Amount recognised in consolidated statement of profit or loss		
Depreciation of right-of-use assets	**197,419**	146,256
Interest on lease liabilities (included in finance cost)	**168,562**	138,749
Expense relating to short-term leases, leases of low value assets and variable lease payments	**229,843**	300,832
Amount recognised in consolidated statement of cash flows		
Lease payments made during the year (included under financing activities)	**379,825**	302,831

13 Investment properties

	Land	Buildings and infrastructure	Under development	Total
	USD'000	USD'000	USD'000	USD'000
Cost				
As at 1 January 2019	230,803	1,462,878	86,170	1,779,851
Additions during the year	1,049	754	103,452	105,255
Acquired through business combination	3,594	-	-	3,594
Transfers	-	(114,134)	114,134	-
Translation adjustment	(273)	(36)	(184)	(493)
As at 31 December 2019	235,173	1,349,462	303,572	1,888,207
As at 1 January 2020	**235,173**	**1,349,462**	**303,572**	**1,888,207**
Additions during the year	**340**	**119**	**65,993**	**66,452**
Acquired through business combination	**-**	**8,531**	**59**	**8,590**
Transfers (from)/ to property, plant and equipment (refer to note 11)	**(21,702)**	**285,790**	**(294,454)**	**(30,366)**
Disposal	**(60)**	**(5,449)**	**-**	**(5,509)**
Translation adjustment	**(2,485)**	**1,368**	**(119)**	**(1,236)**
As at 31 December 2020	**211,266**	**1,639,821**	**75,051**	**1,926,138**
Depreciation and impairment				
As at 1 January 2019	1,492	156,229	-	157,721
Depreciation charge for the year	-	47,389	-	47,389
Impairment charge for the year	-	10,186	-	10,186
As at 31 December 2019	1,492	213,804	-	215,296
As at 1 January 2020	**1,492**	**213,804**	**-**	**215,296**
Depreciation charge for the year	**-**	**54,822**	**-**	**54,822**
Impairment charge for the year	**850**	**4,022**	**-**	**4,872**
Disposal	**-**	**(5,449)**	**-**	**(5,449)**
Transfers	**(2,342)**	**2,342**	**-**	**-**
Translation adjustment	**-**	**151**	**-**	**151**
As at 31 December 2020	**-**	**269,692**	**-**	**269,692**
Net book value				
As at 31 December 2019	233,681	1,135,658	303,572	1,672,911
As at 31 December 2020	**211,266**	**1,370,129**	**75,051**	**1,656,446**

13. Investment properties (continued)

Revenue on lease rentals from investment properties recognised in profit or loss amounted to USD 478,984 thousand (2019: USD 488,260 thousand) while associated costs related to these investment properties amounted to USD 63,673 thousand (2019: USD 67,148 thousand).

Land:

At 31 December 2020, the fair value of land was estimated to be USD 212,907 thousand (2019: USD 266,918 thousand) compared to the carrying value of USD 211,266 thousand (2019: USD 233,681 thousand).

Buildings and infrastructure:

At 31 December 2020, the fair value of buildings and infrastructure was USD 2,194,181 thousand (2019: USD 2,106,085 thousand) compared to the carrying value of USD 1,370,129 thousand (2019: USD 1,135,658 thousand).

Investment properties under development:

Investment properties under development mainly include infrastructure development, staff accommodation and office building in Jebel Ali Free Zone and Dubai Maritime City. Based on management's assessment, the fair value of investment properties under development approximates their carrying value as at the reporting date.

Key assumptions used in determination of the fair value of investment properties

On an annual basis, the Group engages external, independent and qualified valuers who have the relevant experience to value such properties in order to determine the fair value of the Group's investment properties. The external valuation of the significant investment properties has been performed using income capitalisation, comparable and residual methods of valuation. The external valuers, in discussion with the Group's management, have determined these inputs based on the current lease rates, specific market conditions (taking into account the impact of COVID19) and comparable benchmarking of rents and capital values and rentals in the wider corresponding market. The significant unobservable inputs used in the fair value measurement are as follows:

- Market rent including land (in the range of USD 7 to USD 1,237 per square metre per annum)
- Rent growth per annum (in the range of 0% to 3.0%)
- Historical and estimated long term occupancy rate (in the range of 60% to 100%)
- Yields rates (in the range of 6.5% to 13.5% per annum)

The fair value of investment properties is categorised under level 3 of fair value hierarchy and the Group considers the current use of these properties as their highest and best use.

Sensitivity to changes in assumptions

The estimated fair value would increase/ (decreases) due to increase/ (decrease) in market rent, occupancy rate and rent growth rates. The fair value would also (decrease)/ increase if there is an increase/ (decrease) in yield rates.

14 Intangible assets and goodwill

	Land use rights	Goodwill	Port concession rights and other intangible assets*	Service concession assets**	Total
	USD'000	USD'000	USD'000	USD'000	USD'000
Cost					
As at 1 January 2019	2,677,717	2,051,008	4,690,065	940,572	10,359,362
Acquired through business combinations	-	507,545	918,939	-	1,426,484
Additions	-	-	978	7,991	8,969
Transfer to property, plant and equipment (refer to note 11)	-	-	(1,757)	(41,370)	(43,127)
Translation adjustment	-	23,164	213,490	(20,611)	216,043
As at 31 December 2020	2,677,717	2,581,717	5,821,715	886,582	11,967,731
As at 1 January 2020	**2,677,717**	**2,581,717**	**5,821,715**	**886,582**	**11,967,731**
Acquired through business combinations	**5,679**	**238,544**	**425,656**	**-**	**669,879**
Additions**	**-**	**-**	**12,164**	**464,994**	**477,158**
Transfer from property, plant and equipment (refer to note 11)	**-**	**-**	**10,584**	**18,089**	**28,673**
Disposals	**-**	**-**	**(39)**	**(48,592)**	**(48,631)**
Translation adjustment	**167**	**108,562**	**144,645**	**16,737**	**270,111**
As at 31 December 2020	**2,683,563**	**2,928,823**	**6,414,725**	**1,337,810**	**13,364,921**
Amortisation and impairment					
As at 1 January 2019	110,708	-	922,248	493,255	1,526,211
Charge for the year	29,200	-	141,394	43,823	214,417
Transfer to property, plant and equipment (refer to note 11)	-	-	148	(30,654)	(30,506)
Translation adjustment	-	-	212,903	(9,995)	202,908
As at 31 December 2019	139,908	-	1,276,693	496,429	1,913,030
As at 1 January 2020	**139,908**	**-**	**1,276,693**	**496,429**	**1,913,030**
Charge for the year	**29,315**	**-**	**151,115**	**56,339**	**236,769**
Transfer from property, plant and equipment (refer to note 11)	**-**	**-**	**10,584**	**-**	**10,584**
Disposals	**-**	**-**	**(2)**	**(48,043)**	**(48,045)**
Translation adjustment	**(52)**	**-**	**31,190**	**6,957**	**39,095**
As at 31 December 2020	**169,171**	**-**	**1,470,580**	**511,682**	**2,151,433**
Net book value:					
As at 31 December 2019	2,537,809	2,581,717	4,545,022	390,153	10,054,701
As at 31 December 2020	**2,514,392**	**2,928,823**	**4,944,145**	**826,128**	**11,213,488**

* This mainly represents concession agreements which are identified and accounted as a part of business combinations. These concessions were determined to have finite and indefinite useful lives based on the terms of the respective concession agreements and the income approach model was used for the purpose of determining their fair values. This also include customer relationships with a net book value of USD 212,261 thousand (2019: USD 205,743 thousand) which is amortised over a period of 15 years.

** These represent assets arising on account of application of IFRIC 12 on service concession arrangements. Seven of the Group's deep seaport terminals in emerging markets are operated under certain restrictive price and service conditions. The grantor controls any significant residual interest in the infrastructure. The amounts paid by the Group as an operator to the grantor (government or port authorities) as a consideration for obtaining the rights relating to concession arrangements are accounted as part of port concession rights. In addition, Port concession rights also include certain property, plant and equipment which are reclassified as intangible assets in accordance with IFRIC 12 'Service Concession Arrangements'.

15 Properties held for development and sale

	2020	2019
	USD'000	USD'000
As at 1 January	**194,612**	261,724
Charge to profit or loss	**(70,131)**	(62,629)
Additions during the year	**5,482**	3,764
Impairment reversal/ (charge) for the year	**8,247**	(8,247)
As at 31 December	**138,210**	194,612

Properties held for development and sale consist of cost of land and related improvements comprising of certain plots of land in the commercial precinct located within Dubai Maritime City.

The Group has future commitments towards infrastructure development of USD 170,466 thousand (2019: USD 157,674 thousand) to be incurred over a period of 17 years in relation to these properties.

On an annual basis, the Group engages external, independent and qualified valuers who have the relevant experience for the purpose of estimating the net realisable value of properties held for development and sale.

16 Impairment testing

Goodwill acquired through business combinations and port concession rights with indefinite useful lives have been allocated to various cash-generating units, for the purpose of impairment testing.

Impairment testing is done at an operating port (or group of ports) level that represents an individual CGU. Details of the CGUs by operating segment are shown below:

	Carrying amount of goodwill		**Carrying amount of port concession rights with indefinite useful life**		**Discount rates**	**Terminal value growth rate**
	2020	2019	**2020**	2019		
	USD'000	USD'000	**USD'000**	USD'000		
Cash-generating units aggregated by operating segment						
Asia Pacific and India	**394,550**	284,804	-	-	5.75% - 9.50%	2.50%
Australia and Americas	**759,777**	645,335	**-**	-	5.25% - 14.00%	2.50%
Middle East, Europe and Africa	**1,774,496**	1,651,578	**854,451**	827,432	5.00% - 14.50%	1.00% -2.50%
Total	**2,928,823**	2,581,717	**854,451**	827,432		

The recoverable amount of the CGU has been determined based on their value in use calculated using cash flow projections based on the financial budgets approved by management covering a three year period and a further outlook for five years, which is considered appropriate in view of the outlook for the industry and the long-term nature of the concession agreements held i.e. generally for a period of 25-50 years.

16. Impairment testing (continued)

Key assumptions used in value in use calculations (adjusted for COVID-19 impact)

The following describes each key assumption on which management has based its cash flow projections to undertake impairment testing of goodwill and port concession rights with indefinite useful lives.

Budgeted margins – The basis used to determine the value assigned to the budgeted margin is the average gross margin achieved in the year immediately before the budgeted year, adjusted for expected efficiency improvements, price fluctuations and manpower costs.

Discount rates – These represent the cost of capital adjusted for the respective location risk factors. The Group uses the post-tax industry average weighted average cost of capital based on the rate of 10 years default free US treasury bonds adjusted for country-specific risks.

Cost inflation – The forecast general price index is used to determine the cost inflation during the budget year for the relevant countries where the Group is operating which has been sourced from International Monetary Fund (IMF).

Terminal value growth rate – In management's view, the terminal growth rate is the minimum growth rate expected to be achieved beyond the eight-year period. This is based on the overall regional economic growth forecasted and the Group's existing internal capacity changes for a given region. The Group also takes into account competition and regional capacity growth to provide a comprehensive growth assumption for the entire portfolio. Based on the historical trend of growth in global trade, the long-term growth in the range of 1% to 2.5% is considered reasonable for the diversified businesses of the Group. The values assigned to key assumptions are consistent with the past experience of the management.

Sensitivity to changes in assumptions

The calculation of value in use for the CGU is sensitive to future earnings and therefore a sensitivity analysis was performed. A sensitivity analysis demonstrated that a 10% decrease in earnings for a future period of three years from the reporting date would not result in impairment. An increase of 0.10% in discount rate and decrease of 0.25% in terminal value growth rate would not result in impairment.

17 Investment in equity-accounted investees

The following table summarises the segment wise financial information for equity-accounted investees, adjusted for fair value adjustments (using income approach model) at acquisition together with the carrying amount of the Group's interest in equity-accounted investees as included in the consolidated statement of financial position:

	Asia Pacific and India		Australia and Americas		Middle East, Europe and Africa		Total	
	2020	2019	**2020**	2019	**2020**	2019	**2020**	2019
	USD'000	USD'000	**USD'000**	USD'000	**USD'000**	USD'000	**USD'000**	USD'000
Cash and cash equivalents	**387,425**	353,961	**84,916**	226,825	**219,007**	230,074	**691,348**	810,860
Other current assets	**203,623**	222,762	**75,828**	106,550	**311,494**	217,567	**590,945**	546,879
Non-current assets	**6,138,310**	6,044,065	**390,810**	843,203	**3,985,428**	3,466,776	**10,514,548**	10,354,044
Total assets	**6,729,358**	6,620,788	**551,554**	1,176,578	**4,515,929**	3,914,417	**11,796,841**	11,711,783
Current financial liabilities	**53,982**	48,080	**71,384**	83,016	**60,144**	70,064	**185,510**	201,160
Other current liabilities	**453,541**	537,818	**47,665**	128,428	**330,605**	303,187	**831,811**	969,433
Non-current financial liabilities	**791,962**	866,826	**99,516**	356,504	**1,807,547**	1,456,328	**2,699,025**	2,679,658
Other non-current liabilities	**528,378**	486,709	**36,723**	37,097	**443,453**	377,523	**1,008,554**	901,329
Total liabilities	**1,827,863**	1,939,433	**255,288**	605,045	**2,641,749**	2,207,102	**4,724,900**	4,751,580
Net assets (100%)	**4,901,495**	4,681,355	**296,266**	571,533	**1,874,180**	1,707,315	**7,071,941**	6,960,203
Group's share of net assets in equity-accounted investees							**2,253,538**	2,200,252
Revenue	**1,148,556**	1,290,096	**156,628**	350,561	**917,525**	824,407	**2,222,709**	2,465,064
Depreciation and amortisation	**(290,134)**	(280,802)	**(41,690)**	(59,163)	**(169,271)**	(146,415)	**(501,095)**	(486,380)
Other expenses	**(397,041)**	(474,891)	**(198,281)**	(245,004)	**(583,181)**	(557,914)	**(1,178,503)**	(1,277,809)
Finance cost	**(65,817)**	(79,077)	**(21,258)**	(65,674)	**(81,735)**	(70,504)	**(168,810)**	(215,255)
Finance income	**14,326**	26,596	**1,302**	3,471	**1,451**	386	**17,079**	30,453
Income tax expense	**(114,211)**	(120,867)	**(7,505)**	(4,398)	**(15,704)**	(14,302)	**(137,420)**	(139,567)
Net profit/ (loss) (100%)	**295,679**	361,055	**(110,804)**	(20,207)	**69,085**	35,658	**253,960**	376,506
Group's share of profit (before separately disclosed items)	**84,178**	108,065	**7,825**	25,528	**29,548**	19,708	**121,551**	153,301
Group's share of dividends received							**57,466**	124,146
Group's share of other comprehensive income							**7,823**	(3,002)

18. Inventories

	2020	2019
	USD'000	USD'000
Spare parts and consumables	**174,121**	153,062
Fuel	**15,839**	17,367
Total	**189,960**	170,429
Provision for obsolete and slow-moving items	**(7,311)**	(14,036)
Net inventories	**182,649**	156,393

In 2020, inventories of USD 394,387 thousand (2019: USD 426,153 thousand) were recognised as an expense during the year and recorded in the consolidated statement of profit or loss.

19 a) Due from Parent Company

	2020	**2020**	2019	2019
	Non-current	**Current**	Non-current	Current
	USD'000	**USD'000**	USD'000	USD'000
Due from Parent Company (refer to note 28)	**1,545,511**	**962**	-	30

On 7 July 2020 Group has advanced a loan of USD 1,500,000 thousand to the Parent Company, Port and Free Zone World (PFZW) for a period of 5.5 years at the interest rate of 6.125% per annum, which has been used by PFZW to prepay its syndicated loan facilities reducing its debt to USD 6.4 billion reducing the guarantee given by the Group to USD 6.4 billion now (refer to note 38).

19 b) Accounts receivable and prepayments

	2020	**2020**	2019	2019
	Non-current	**Current**	Non-current	Current
	USD'000	**USD'000**	USD'000	USD'000
Trade receivables (net)	**360,038**	**1,084,918**	329,674	994,056
Advances paid to suppliers	**12,612**	**55,051**	-	102,390
Unbilled revenue	**-**	**162,996**	-	193,487
Deposits receivable	**15,570**	**4,661**	57,545	8,914
Other receivables and prepayments	**269,754**	**619,044**	188,236	471,170
Due from related parties (refer to note 28)	**96,847**	**82,802**	100,390	66,748
Total	**754,821**	**2,009,472**	675,845	1,836,765

The Group's exposure to credit and currency risks are disclosed in note 29.

20. Cash and cash equivalents

	2020	2019
	USD'000	USD'000
Cash at banks and in hand	**1,400,045**	1,056,487
Short-term deposits	**691,721**	1,823,606
Deposits under lien	**50,344**	63,266
Cash and cash equivalents for consolidated statement of cash flows	**2,142,110**	2,943,359

Short-term deposits are made for varying periods between one day and three months depending on the immediate cash requirements of the Group and earn interest at the respective short-term deposit market rates.

The deposits under lien are placed to collateralise some of the borrowings of the Company's subsidiaries.

21. Asset held for sale

Assets held for sale amounting to USD 22,590 thousand represents four vessels, which the Group is currently marketing for sale, as part of the restructuring of the Ferries business following COVID-19 impact on the Group's tourist business in a subsidiary in the 'Middle East, Europe and Africa' region.

22. Employees' end of service benefits

Movements in the provision recognised in the consolidated statement of financial position are as follows:

	2020	2019
	USD'000	USD'000
As at 1 January	**176,227**	159,233
Acquired through business combinations	**-**	4,515
Provision made during the year	**30,384**	28,197
Amounts paid during the year	**(27,462)**	(19,150)
Actuarial loss on defined benefit plan	**12,916**	1,697
Translation adjustments	**(670)**	1,735
As at 31 December	**191,395**	176,227

In accordance with the provisions of IAS 19, management has carried out an exercise to assess the present value of its obligations at 31 December 2020 in respect of employees' end of service benefits payable under relevant local regulations and contractual arrangements. The assessment assumed expected salary increases averaging 3.50% and a discount rate of 2.75% per annum (2019: 3.75% per annum). The present values of the defined benefit obligations at 31 December 2020 were computed using the actuarial assumptions set out above.

In addition to the above, the Group contributes 15% of the 'contribution calculation salary' in case of those employees who are UAE nationals. These employees are also required to contribute 5% of the 'contribution calculation salary' to the scheme. The Group's contribution is recognised as an expense in the consolidated statement of profit or loss as incurred.

23. Pension and post-employment benefits

The Group participates in a number of pension schemes throughout the world, mostly concentrated in the United Kingdom.

The board of a pension scheme in the UK is required by law to act in the best interests of the fund participants and is responsible for setting certain policies (e.g. investment, contributions and indexation policies) and determining recovery plans, if appropriate.

These defined benefit schemes expose the Group to actuarial risks, such as longevity risk, currency risk, interest rate risk and market (investment) risk. In addition, by participating in certain multi-employer industry schemes, the Group can be exposed to a pro-rata share of the credit risk of other participating employers.

a) P&O Pension Scheme

This principal scheme is located in the UK (the "P&O UK Scheme"). The P&O UK Scheme is a funded defined benefit scheme and was closed to routine new members on 1 January 2002 and to future accrual on 31 December 2015. The pension fund is legally separated from the Group and managed by a Trustee board. The assets of the scheme are managed on behalf of the Trustee by independent fund managers.

23. Pension and post-employment benefits (continued)

a) P&O Pension Scheme (continued)

Formal actuarial valuations of the P&O UK scheme are normally carried out triennially by qualified independent actuaries, the most recent valuation was at 31 March 2019 on a market related basis. The deficit on a statutory funding objectives basis was USD 133,765 thousand. The Group agreed with the Trustee to a new monthly deficit payment plan effective from 1 April 2019 as follows:

Payment Dates	**Monthly payments**
From 1 April 2019 to 31 March 2020	USD 1,024 thousand
From 1 April 2020 to 31 May 2020	USD 1,761 thousand
In May 2020	USD 8,845 thousand (one off lump sum)
From 1 June 2020 to 31 March 2021	USD 3,399 thousand
From 1 April 2021 to 31 March 2025	USD 1,761 thousand

In December 2007, as part of a process developed with the Group to de-risk the pension scheme, the Trustee transferred USD 1,600,000 thousand of P&O UK Scheme assets to Paternoster (UK) Ltd, in exchange for a bulk annuity insurance policy to ensure that the assets (in the Company's statement of financial position and in the Scheme) will always be equal to the current value of the liability of the pensions in payment at 30 June 2007, thus removing the funding risks for these liabilities.

b) P&O Ferries Scheme

Formal actuarial valuations of the P&O Ferries Scheme will normally be carried out triennially by qualified independent actuaries, the latest completed regular valuation report for the scheme being at 1 April 2017, using the projected unit method.

At this date, the market value of the P&O Ferries Scheme’s assets were USD 251,970 thousand and the value of accrued benefits to members allowing for future increases in earnings was USD 285,959 thousand giving a deficit of USD 33,987 thousand and a funding ratio of 88%.

As a result of this valuation P&O Ferries committed to deficit payments from April 2018 to March 2027 totalling USD 21,975 thousand.

c) Merchant Navy Officers’ Pension Fund (“MNOPF Scheme”)

The Group participates in various industry multi-employer schemes in the UK. These generally have assets held in separate trustee administered funds which are legally separated from the Group.

The MNOPF Scheme is an industry wide multi-employer defined benefit scheme in which officers employed by companies within the Group have participated. The scheme has been closed to further benefit accrual from 31 March 2016.

The most recent formal actuarial valuation of the New Section of MNOPF Scheme was carried out as at 31 March 2019. This resulted in a deficit of USD 24,085 thousand. The Trustee Board believe their investment strategy will address this deficit and therefore has not issued deficit contribution notices to employers in respect of the 2019 actuarial valuation.

Following earlier actuarial valuations in 2009, 2012 and 2015 the Trustee and Employers agreed contributions to be paid to the Section by participating employers over the period to 30 September 2023. These contributions included an allowance for the impact of irrecoverable contributions in respect of companies no longer in existence or not able to pay their share.

For the Group, aggregated outstanding contributions from these valuations are payable as follows:

- 2021: USD 15,500 thousand
- 2022 to 2023: USD 304 thousand per annum.

The Group's share of the net deficit of the MNOPF Scheme at 31 December 2020 is estimated at 18.81%.

23. Pension and post-employment benefits (continued)

d) Merchant Navy Ratings' Pension Fund ("MNRPF Scheme")

The MNRPF Scheme is an industry wide multi-employer defined benefit pension scheme in which sea staff employed by companies within the Group have participated. The scheme has a significant funding deficit and has been closed to further benefit accrual from 2001.

Certain Group companies, which are no longer current employers in the MNRPF Scheme had settled their statutory debt obligation and were not considered to have any legal obligation with respect to the on-going deficit in the fund. However, following a legal challenge, by Stena Line Limited, the High Court decided that the Trustee could require all employers that had ever participated in the scheme to make contributions to fund the deficit. Although the Group appealed, the decision was not overturned.

The most recent formal actuarial valuation was carried out as at 31 March 2017. The deficit contributions arising from the valuation totalled USD 215,283 thousand. The contributions due to the Scheme in respect of this valuation will be paid over the period to 31 March 2025.

For the Group, aggregated outstanding contributions from these valuations are payable as follows:

- 2021: USD 32,445 thousand
- 2022 to 2025: USD 192,820 thousand

The Trustee set the payment terms for each participating employer in accordance with the Trustee's Contribution Collection Policy which includes credit vetting.

The outcome of the MNRPF Scheme's 2020 triennial actuarial valuation is still to be finalised.

During the year, MNRPF Scheme has sought direction for the UK Court regarding the correct benefit provision to its scheme members in respect of Ill Health Early Retirement. The Case was due to be heard in November 2020 but was adjourned until July 2021 whilst representatives from the Trustee Board, the Employers and the Members/employees considered a Settlement proposal. The outcome of either the Court direction or the Settlement proposal is unknown to the Group at the current time, but the Group's share of potential additional liability is estimated to be in the range of USD Nil to USD 190,370 thousand.

The Group's share of the net deficit of the MNRPF at 31 December 2020 is estimated at 46.49%.

e) Others

The Group also operates a number of other defined benefit and defined contribution schemes.

Reconciliation of assets and liabilities recognised in the consolidated statement of financial position

	2020	2019
	USD'000	USD'000
Non-current		
Defined benefit schemes net liabilities	**346,190**	344,612
Liability in respect of long service leave	**4,381**	241
Liability for other non-current deferred compensation	**2,681**	2,553
	353,252	347,406
Current		
Defined benefit schemes net liabilities	**36,778**	27,513
Liability for current deferred compensation	**86,169**	79,279
	122,947	106,792
Net liabilities	**476,199**	454,198

23. Pension and post-employment benefits (continued)

e) Others (continued)

Long term employee benefit expense recognised in consolidated statement of profit and loss consist of following:

	2020	2019
	USD'000	USD'000
Defined benefit schemes *	**22,658**	13,917
Defined contribution schemes	**48,494**	44,140
Other employee benefits	**25,887**	18,298
Total	**97,039**	76,355

* In 2020, this includes USD 4,105 thousand additional costs arising in respect of "guaranteed minimum pension" (GMP) based on a landmark High Court judgment in the UK (refer to note 9).

The re-measurements of the net defined benefit liability gross of tax recognised in the consolidated statement of other comprehensive income is as follows:

	2020	2019
	USD'000	USD'000
Actuarial gain recognised in the year	**345,849**	283,958
Return on plan assets lesser than the discount rate	**(333,801)**	(236,412)
Change in share in multi-employer scheme	**(521)**	7,529
Movement in minimum funding liability	**8,822**	(52,960)
Total	**20,349**	2,115

Actuarial valuations and assumptions

The latest valuations of the defined benefit schemes have been updated to 31 December 2020 by qualified independent actuaries. The principal assumptions are included in the table below. The assumptions used by the actuaries are the best estimates chosen from a range of possible actuarial assumptions, which, due to the timescale covered, may not necessarily be borne out in practice.

	P&O UK scheme	P&O Ferries scheme	MNOPF scheme	MNRPF scheme	Other schemes	P&O UK scheme	P&O Ferries scheme	MNOPF scheme	MNRPF scheme	Other schemes
	2020	**2020**	**2020**	**2020**	**2020**	2019	2019	2019	2019	2019
Discount rates	**1.25%**	**1.25%**	**1.25%**	**1.25%**	**1.41%**	1.95%	1.95%	1.95%	1.95%	1.92%
Discount rates bulk annuity asset	**1.15%**	**-**	**-**	**-**	**-**	1.85%	-	-	-	-
Expected rates of salary increases	**-***	**-***	**-***	**-***	**1.87%**	-*	-*	-*	-*	0.30%
Pension increases:										
deferment	**2.80%**	**2.60%**	**2.00%**	**2.00%**	**2.01%**	3.00%	2.90%	2.25%	2.25%	2.22%
payment	**2.80%**	**2.50%**	**2.75%**	**2.75%**	**2.02%**	3.00%	2.80%	3.15%	3.15%	2.98%
Inflation	**2.80%**	**2.80%**	**2.80%**	**2.80%**	**2.01%**	3.25%	3.25%	3.25%	3.25%	3.11%

* The P&O UK Scheme, MNOPF and MNRPF were closed to future accrual as at 31 March 2016, so future pay increases are not relevant.

23. Pension and post-employment benefits (continued)

The assumptions for pensioner longevity under both the P&O UK Scheme and the New Section of the MNOPF Scheme are based on an analysis of pensioner death trends under the respective schemes over many years.

For illustration, the life expectancies for the two schemes at age 65 now and in the future are detailed in the table below.

	Male		Female	
	Age 65 now	**Age 65 in 20 years' time**	**Age 65 now**	**Age 65 in 20 years' time**
2020				
P&O UK scheme	**22.8**	**24.5**	**25.0**	**26.7**
P&O Ferries scheme	**22.9**	**24.6**	**25.3**	**27.0**
MNOPF scheme	**21.9**	**24.0**	**24.0**	**26.2**
MNRPF scheme	**19.3**	**21.3**	**22.5**	**24.6**
2019				
P&O UK scheme	22.8	24.5	24.9	26.7
P&O Ferries scheme	22.5	24.2	24.4	26.3
MNOPF scheme	21.8	23.9	23.9	26.0
MNRPF scheme	19.2	21.2	22.4	24.5

At 31 December 2020, the weighted average duration of the defined benefit obligation was 14.3 years (2019: 14.9 years).

Reasonably possible changes to one of the actuarial assumptions, holding other assumptions constant (in practice, this is unlikely to occur, and changes in some of the assumptions may be correlated), would have increased the net defined benefit liability as at 31 December 2020 by the amounts shown below:

	USD'000
0.1% reduction in discount rate	**20,900**
0.1% increase in inflation assumption and related assumptions	**10,200**
0.25% p.a. increase in the long term rate of mortality improvement	**14,600**

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the previous period.

The schemes' strategic asset allocations across the sectors of the main asset classes are:

	P&O UK scheme	**P&O Ferries scheme**	**MNOPF scheme**	**MNRPF scheme**	**Other schemes**	**Total group schemes fair value**
	USD'000	**USD'000**	**USD'000**	**USD'000**	**USD'000**	**USD'000**
2020						
Equities	**253,744**	**85,823**	**220,849**	**101,552**	**74,661**	**736,629**
Bonds	**583,789**	**69,283**	**626,375**	**637,780**	**189,640**	**2,106,867**
Other	**143,593**	**163,583**	**-**	**-**	**53,048**	**360,224**
Value of insured pensioner liability	**980,990**	**-**	**-**	**-**	**2,778**	**983,768**
Total	**1,962,116**	**318,689**	**847,224**	**739,332**	**320,127**	**4,187,488**
2019						
Equities	236,029	81,807	239,068	75,857	57,746	690,507
Bonds	289,155	66,524	560,734	590,713	200,480	1,707,606
Other	281,226	134,150	-	-	51,011	466,387
Value of insured pensioner liability	953,895	-	-	-	2,631	956,526
Total	1,760,305	282,481	799,802	666,570	311,868	3,821,026

With the exception of the insured pensioner liability, all material investments have quoted prices in active market.

23. Pension and post-employment benefits (continued)

Reconciliation of the opening and closing present value of defined benefit obligations for the period ended 31 December 2020 and 31 December 2019:

	P&O UK scheme	**P&O Ferries scheme**	**MNOPF scheme**	**MNRPF scheme**	**Other schemes**	**Total group schemes**	P&O UK scheme	P&O Ferries scheme	MNOPF scheme	MNRPF scheme	Other schemes	Total group schemes
	2020	**2020**	**2020**	**2020**	**2020**	**2020**	2019	2019	2019	2019	2019	2019
	USD'000	**USD'000**	**USD'000**	**USD'000**	**USD'000**	**USD'000**	USD'000	USD'000	USD'000	USD'000	USD'000	USD'000
Present value of obligation at 1 January	**(1,810,524)**	**(306,097)**	**(753,944)**	**(746,348)**	**(348,270)**	**(3,965,183)**	(1,635,201)	-	(201,140)	(104,853)	(209,451)	(2,150,645)
Employer's interest cost	**(34,251)**	**(5,721)**	**(13,854)**	**(13,854)**	**(6,170)**	**(73,850)**	(45,048)	(3,666)	(14,165)	(10,592)	(8,012)	(81,483)
Employer's current service cost	-	**-**	**(128)**	**(128)**	**(8,579)**	**(8,835)**	-	-	-	-	(7,097)	(7,097)
Employer's past service cost*	**(4,105)**	**-**	-	**-**	**-**	**(4,105)**	-	-	-	-	-	-
Gain due to settlements	**-**	**-**	-	**-**	**62,708**	**62,708**	-	-	-	-	-	-
Acquired through business combinations	**-**	**-**	**-**	**-**	**-**	**-**	-	(283,085)	(619,250)	(585,815)	(72,909)	(1,561,059)
Contributions by scheme participants	**-**	**-**	**-**	**-**	**(1,505)**	**(1,505)**	**-**	**-**	**-**	**-**	(1,250)	(1,250)
Effect of movement in exchange rates	**(66,759)**	**(11,549)**	**(26,083)**	**(27,709)**	**(31,208)**	**(163,308)**	(58,938)	(11,596)	(27,863)	(27,666)	(26,512)	(152,575)
Benefits paid	**87,487**	**7,569**	**40,921**	**31,429**	**10,343**	**177,749**	107,963	3,595	22,971	19,908	8,442	162,879
Experience gains/ (losses) on scheme liabilities	-	**4,746**	**6,542**	**(5,516)**	**2,380**	**8,152**	23,609	(370)	2,935	(1,914)	4,637	28,897
Change in share in multi-employer scheme	**-**	**-**	**(128)**	**(641)**	**1,290**	**521**	-	-	110,005	-	-	110,005
Actuarial gain on scheme liabilities due to change in demographic assumptions	**(39,783)**	**(5,426)**	**(3,207)**	**(8,467)**	**141**	**(56,742)**	(20,036)	1,046	3,446	-	6,531	(9,013)
Actuarial gains/(losses) on scheme liabilities due to change in financial assumptions	**(127,639)**	**(24,514)**	**(50,799)**	**(53,878)**	**(40,429)**	**(297,259)**	(182,873)	(12,021)	(30,883)	(35,416)	(42,649)	(303,842)
Present value of obligation at 31 December	**(1,995,574)**	**(340,992)**	**(800,680)**	**(825,112)**	**(359,299)**	**(4,321,657)**	(1,810,524)	(306,097)	(753,944)	(746,348)	(348,270)	(3,965,183)

* In 2020, this relates to additional costs arising in respect of "guaranteed minimum pension" (GMP) based on a landmark High Court judgment in the UK (refer to note 9)

23. Pension and post-employment benefits (continued)

Reconciliation of the opening and closing present value of fair value of scheme assets for the period ended 31 December 2020 and 31 December 2019:

	P&O UK scheme	**P&O Ferries scheme**	**MNOPF scheme**	**MNRPF**	**Other schemes**	**Total group schemes**	P&O UK scheme	P&O Ferries scheme	MNOPF scheme	MNRPF scheme	Other schemes	Total group schemes
	2020	**2020**	**2020**	**2020**	**2020**	**2020**	2019	2019	2019	2019	2019	2019
	USD'000	**USD'000**	**USD'000**	**USD'000**	**USD'000**	**USD'000**	USD'000	USD'000	USD'000	USD'000	USD'000	USD'000
Fair value of scheme assets at 1 January	**1,760,305**	**282,481**	**799,802**	**666,570**	**311,868**	**3,821,026**	1,619,346	-	215,973	98,588	171,472	2,105,379
Interest income on assets	**33,225**	**5,272**	**14,624**	**12,315**	**5,294**	**70,730**	44,665	3,356	14,803	9,444	6,750	79,018
Return on plan assets (lesser)/greater than the discount rate	**154,835**	**27,747**	**47,592**	**66,834**	**36,793**	**333,801**	137,952	7,085	33,308	27,182	30,885	236,412
loss due to settlements	**-**	**-**	**-**	**-**	**(62,708)**	**(62,708)**	-	-	-	-	-	-
Acquired through business combinations	-	-	-	-	-	-	-	263,872	640,608	511,698	72,523	1,488,701
Contributions by employer	**36,816**	**269**	**-**	**5,735**	**10,646**	**53,466**	11,485	1,251	6,891	18,102	12,860	50,589
Contributions by scheme participants	**-**	**-**	**-**	**-**	**1,505**	**1,505**	-	-	-	-	1,250	1,250
Effect of movement in exchange rates	**66,474**	**10,899**	**27,538**	**24,951**	**27,273**	**157,135**	57,245	10,711	29,490	24,654	24,810	146,910
Benefits paid	**(87,487)**	**(7,569)**	**(40,921)**	**(31,429)**	**(10,343)**	**(177,749)**	(107,963)	(3,595)	(22,971)	(19,908)	(8,442)	(162,879)
Change in share in multi-employer scheme	**-**	**-**	**-**	**-**	**-**	**-**	-	-	(117,534)	-	-	(117,534)
Administration costs incurred during the year	**(2,052)**	**(410)**	**(1,411)**	**(5,644)**	**(201)**	**(9,718)**	(2,425)	(199)	(766)	(3,190)	(240)	(6,820)
Fair value of scheme assets at 31 December	**1,962,116**	**318,689**	**847,224**	**739,332**	**320,127**	**4,187,488**	1,760,305	282,481	799,802	666,570	311,868	3,821,026
Defined benefit schemes net liabilities	**(33,458)**	**(22,303)**	**46,544**	**(85,780)**	**(39,172)**	**(134,169)**	(50,219)	(23,616)	45,858	(79,778)	(36,402)	(144,157)
Minimum funding liability	**(58,966)**	**-**	**(63,197)**	**(126,636)**	**-**	**(248,799)**	(42,554)	-	(61,849)	(123,565)	-	(227,968)
Net liability recognised in the consolidated statement of financial position at 31 December	**(92,424)**	**(22,303)**	**(16,653)**	**(212,416)**	**(39,172)**	**(382,968)**	(92,773)	(23,616)	(15,991)	(203,343)	(36,402)	(372,125)

23. Pension and post-employment benefits (continued)

A minimum funding liability arises where the statutory funding requirements are such that future contributions in respect of past service will result in a future unrecognisable surplus.

The below table shows the movement in minimum funding liability:

	2020	2019
	USD'000	USD'000
Minimum funding liability as on 1 January	**(227,968)**	(111,496)
Employer's interest cost	**(3,720)**	(5,105)
Acquired through business combinations	**-**	(156,243)
Actuarial (loss)/gain during the year	**(8,822)**	52,960
Effect of movement in exchange rates	**(8,289)**	(8,084)
Minimum funding liability as on 31 December	**(248,799)**	(227,968)

It is anticipated that the Group will make the following contributions to the pension schemes in 2021:

	P&O UK scheme	**P&O Ferries scheme**	**MNOPF scheme**	**MNRPF scheme**	**Other schemes**	**Total group schemes**
	USD'000	**USD'000**	**USD'000**	**USD'000**	**USD'000**	**USD'000**
Pension scheme contributions	**26,043**	**1,638**	**15,501**	**35,119**	**8,439**	**86,740**

24. Accounts payable and accruals

	2020	**2020**	2019	2019
	Non-current	**Current**	Non-current	Current
	USD'000	**USD'000**	USD'000	USD'000
Trade payables	**-**	**475,441**	-	455,287
Deferred revenue	**39,884**	**171,717**	39,894	352,347
Advances and deposits from customers	**-**	**408,013**	75,203	374,359
Other payables and accruals	**137,712**	**1,550,518**	173,988	1,374,858
Provisions*	**3,140**	**90,546**	2,068	74,159
Fair value of derivative financial instruments	**125,715**	**19,566**	88,118	16,128
Amounts due to related parties (refer to note 28)	**-**	**43,091**	-	16,522
As at 31 December	**306,451**	**2,758,892**	379,271	2,663,660

* During the current year, additional provision of USD 101,897 thousand was made (2019: USD 101,258 thousand) and an amount of USD 84,438 thousand was utilised (2019: USD 75,601 thousand). The recognised provision reflects management's best estimate of the most likely outcome of various legal and other claims, which are subject to considerable uncertainty in terms of outcome and timing of settlement.

25. Non-controlling interests ('NCI')

The following table summarises the financial information for the material NCI of the Group:

	Middle East, Europe and Africa	**Asia Pacific and India**	**Australia and Americas**	**Other subsidiaries***	**Total**	Middle East, Europe and Africa	Asia Pacific and India	Australia and Americas	Other subsidiaries *	Total
	2020	**2020**	**2020**	**2020**	**2020**	2019	2019	2019	2019	2019
	USD'000	**USD'000**	**USD'000**	**USD'000**	**USD'000**	USD'000	USD'000	USD'000	USD'000	USD'000
Balance sheet information:										
Non-current assets	**519,445**	**511,265**	**2,524,364**			434,078	690,409	1,512,831		
Current assets	**143,762**	**233,808**	**579,277**			51,551	335,612	523,247		
Non-current liabilities	**(239,155)**	**(41,598)**	**(2,015,313)**			(88,924)	(107,567)	(1,229,153)		
Current liabilities	**(37,124)**	**(46,431)**	**(409,184)**			(174,952)	(86,773)	(310,393)		
Net assets (100%)	**386,928**	**657,044**	**679,144**			221,753	831,681	496,532		
Carrying amount of fair value adjustments excluding goodwill	**178,797**	**288,358**	**640,411**			157,721	279,615	380,399		
Total	**565,725**	**945,402**	**1,319,555**			379,474	1,111,296	876,931		
Carrying amount of NCI as at 31 December	**176,209**	**465,533**	**618,038**	**128,643**	**1,388,423**	94,869	409,257	394,618	133,308	1,032,052
Statement of profit or loss information:										
Revenue	**142,997**	**218,757**	**656,361**			24,468	327,006	839,076		
Profit after tax	**52,676**	**57,298**	**90,391**			(1,616)	50,479	46,737		
Other comprehensive income, net of tax	**(3,436)**	**37,806**	**(24,221)**			-	(38,877)	(1,580)		
Total comprehensive income (100%), net of tax	**49,240**	**95,104**	**66,170**			(1,616)	11,602	45,157		
Profit allocated to NCI	**14,381**	**19,450**	**36,991**	**24,789**	**95,611**	(404)	16,099	21,031	(31,019)	5,707
Other comprehensive income attributable to NCI	**(1,684)**	**12,753**	**(11,445)**	**(4,223)**	**(4,599)**	-	(13,207)	(711)	85,513	71,595
Total comprehensive income attributable to NCI	**12,697**	**32,203**	**25,546**	**20,566**	**91,012**	(404)	2,892	20,320	54,494	77,302
Cash flow statement information:										
Cash flows from operating activities	**30,171**	**118,919**	**249,108**			9,379	92,090	125,348		
Cash flows (used in)/ from investing activities	**(3,556)**	**(51,345)**	**(96,125)**			(118)	(40,687)	28,444		
Cash flows used in financing activities	**(13,352)**	**(24,920)**	**(246,065)**			(9,261)	(28,745)	(148,454)		
Dividends paid to NCI	**(3,206)**	**(14,169)**	**(63,255)**			(63,000)	(17,979)	(24,244)		

* Represents other subsidiaries with NCI which are not material.

26. Business combinations

Acquisition of new subsidiaries

(a) On 1 January 2020, the Group acquired control in Caucedo Investments Inc. (Caucedo), retaining the previously held equity interest at 50%, through the Group's investment platform with Caisse de dépôt et placement du Québec (CDPQ), one of North America's largest pension fund managers. Caucedo Development Corporation, the previous equity partner, divested 45% of its stake in Caucedo to CDPQ, as a result of which the Group acquired control.

Caucedo Investments Inc. operates a single marine cargo and container terminal named Puerto Multimodal Caucedo, located in Punta Caucedo, near the city of Santo Domingo, the political and commercial capital of the Dominican Republic. Taking control of this port will enable the Group to develop its container terminal operations across Dominican Republic. The Port's location allows for potential terminal operations via land, sea and air transportation.

The carrying value and fair value of the identifiable net assets and liabilities on the date of the acquisition were as follows:

	Acquiree's carrying amount	Fair value recognised on acquisition
	USD'000	USD'000
Assets		
Property, plant and equipment	**399,535**	**399,535**
Port concession rights	**-**	**239,400**
Investment in equity-accounted investee	**1,792**	**1,792**
Inventories	**7,320**	**7,320**
Accounts receivables and prepayments	**26,145**	**26,145**
Bank balances and cash	**132,979**	**132,979**
Liabilities		
Loans and borrowings	**(282,983)**	**(282,983)**
Accounts payable and accruals	**(42,384)**	**(42,384)**
Net assets acquired	**242,404**	**481,804**
Less: non-controlling interest recognised on acquisition		**(257,149)**
Goodwill arising on acquisition		**32,494**
Total fair value of net assets acquired		**257,149**
For cash flow statement:		
Cash acquired on acquisition		**132,979**

The goodwill is attributable mainly to the skills and technical talent of Caucedo's work force, and the synergies expected to be achieved from integrating the company into the Group's existing business. None of the goodwill recognised is expected to be deductible for tax purposes.

The remeasurement to fair value of the Group's existing 50% interest in Caucedo to USD 257,150 thousand. has resulted in a gain of USD 118,406 thousand which includes derecognition of carrying amount of the existing equity-accounted investee of USD 132,523 thousand at the date of acquisition and recycling of OCI of USD 6,221 thousand to the statement of profit or loss (refer to note 9).

26. Business combinations (continued)

Acquisition of new subsidiaries (continued)

The Group has elected to measure the non-controlling interest in the acquiree at fair value including goodwill. The fair value was arrived using income approach model.

From the acquisition date, this acquisition has contributed revenues of USD 139,674 thousand and gross profit of USD 85,097 thousand to the Group's results.

(b) On 1 January 2020, the Group acquired 77% stake in Feedertech Group based in Singapore for a purchase consideration of USD 76,973 thousand. Feedertech operates two businesses, Feedertech, which is an independent feedering service and Perma, a regional short-sea network. Both operate in the same market and connect the fast-growing trade route of Asia-Middle East via the Indian subcontinent.

The carrying value and fair value of the identifiable net assets and liabilities on the date of the acquisition were as follows:

	Acquiree's carrying amount	Fair value recognised on acquisition
	USD'000	USD'000
Assets		
Property, plant and equipment	**7,793**	**7,793**
Other intangible assets	**91**	**91**
Investment in equity-accounted investee	**299**	**299**
Right-of-use asset	**3,559**	**3,559**
Accounts receivables and prepayments	**35,490**	**35,490**
Inventories	**3,784**	**3,784**
Bank balances and cash	**8,930**	**8,930**
Liabilities		
Loans and borrowings	**(325)**	**(325)**
Lease debt	**(3,527)**	**(3,527)**
Accounts payable and accruals	**(34,983)**	**(34,983)**
Tax liabilities	**(78)**	**(78)**
Net assets acquired	**21,033**	**21,033**
Less: non-controlling interest recognised on acquisition		**(22,992)**
Goodwill arising on acquisition		**78,932**
Total fair value of net assets acquired		**76,973**

For cash flow statement:		
Cash paid on acquisition		**(76,973)**
Cash acquired on acquisition		**8,930**
Net cash paid on acquisition		**(68,043)**

The goodwill is attributable mainly to the skills and technical talent of the acquiree's work force, and the synergies expected to be achieved from integrating the company into the Group's existing business. None of the goodwill recognised is expected to be deductible for tax purposes.

Acquisition related costs of USD 2,815 thousand were expensed and included in general and administrative expenses in the prior year.

The Group has elected to measure the non-controlling interests in the acquiree at fair value including goodwill. The fair value was arrived using income approach model.

From the acquisition date, this acquisition has contributed revenues of USD 172,886 thousand and gross profit of USD 30,710 thousand to the Group's results.

26. Business combinations (continued)

Acquisition of new subsidiaries (continued)

(c) On 20 February 2020, the Group through one of its subsidiary, acquired 100% stake in Fraser Surrey Docks in Canada for a purchase consideration of USD 216,413 thousand. Fraser Surrey Docks is a large, multi-purpose marine terminal located in the greater Vancouver area of British Columbia, Canada. The acquisition of Fraser Surrey Docks complements the Group's footprint in Canada and provides an attractive platform to better serve our customers' break-bulk and dry bulk requirements. The Group's existing facilities at Vancouver and Prince Rupert have enjoyed strong growth in recent years and we believe that Fraser Surrey Docks will benefit from being part of the Group's terminal portfolio.

The carrying value and fair value of the identifiable net assets and liabilities on the date of the acquisition were as follows:

	Acquiree's carrying amount	Fair value recognised on acquisition
	USD'000	USD'000
Assets		
Property, plant and equipment	**41,287**	**32,967**
Port concession rights	**36,765**	**175,931**
Right-of-use asset	**92,196**	**92,196**
Accounts receivables and prepayments	**17,746**	**17,746**
Inventories	**408**	**408**
Bank balances and cash	**296**	**296**
Liabilities		
Lease liabilities	**(93,750)**	**(93,750)**
Accounts payable and accruals	**(11,210)**	**(11,210)**
Deferred tax liabilities	**-**	**(51,239)**
Net assets acquired	**83,738**	**163,345**
Goodwill arising on acquisition		**53,068**
Total fair value of net assets acquired		**216,413**

For cash flow statement:		
Cash paid on acquisition		**(216,413)**
Cash acquired on acquisition		**296**
Net cash paid on acquisition		**(216,117)**

The goodwill is attributable mainly to the skills and technical talent of acquiree's work force, and the synergies expected to be achieved from integrating the company into the Group's existing business. None of the goodwill recognised is expected to be deductible for tax purposes.

Acquisition related costs of USD 4,607 thousand were expensed and included in general and administrative expenses.

The deferred tax liability relates to fair value adjustments on port concession rights and property, plant and equipment.

The Group has elected to measure the non-controlling interests in the acquiree at the proportionate shares of its interest in the acquiree's identifiable net assets.

From the acquisition date, this acquisition has contributed revenues of USD 75,997 thousand and gross profit of USD 10,558 thousand to the Group's results. If the acquisition had occurred on 1 January 2020, management estimates that consolidated revenue would have increased by USD 10,857 thousand and consolidated gross profit for the year would have increased by USD 1,508 thousand. In determining these amounts, management has assumed that the fair value adjustments, that arose on the date of acquisition would have been the same if the acquisition had occurred on 1 January 2020.

26. Business combinations (continued)

Acquisition of new subsidiaries (continued)

For the purpose of this acquisition, the Group obtained shareholder loan of USD 78,003 thousand from Caisse de dépôt et placement du Québec (CDPQ) in proportion to their shareholding of 45% in the acquirer. This has reduced the Group's effective ownership to 55%.

(d) On 16 April 2020, the Group acquired 76% stake in KRIBCHO Infrastructure Limited ("KRIL") from Krishak Bharati Cooperative Society for a purchase consideration of USD 60,948 thousand. KRIL is an integrated multi-modal logistics operator in various cities of India. This acquisition will allow the Group to integrate rail terminal and container train operators in India with an enhanced network to provide door-to-door connectivity to cargo owners. This acquisition was done through intermediary Group entities and accordingly, effective ownership of the Group is 46.24%.

This acquisition accounting was prepared on a provisional basis as final working capital adjustments impacting purchase consideration was not finalised at the date when financial statements were authorised for issue. The carrying value and provisional fair value of the identifiable net assets and liabilities on the date of the acquisition were as follows:

	Acquiree's carrying amount	Provisional Fair value recognised on acquisition
	USD'000	USD'000
Assets		
Property, plant and equipment	**38,477**	**68,471**
Land use rights	**2,287**	**5,679**
Other intangible assets (customer contracts)	**3,530**	**10,207**
Right-of-use asset	**3,028**	**3,028**
Investment in equity-accounted investees	**1,589**	**1,589**
Accounts receivables and deferred tax assets	**11,621**	**11,621**
Bank balances and cash	**479**	**479**
Liabilities		
Loans and borrowings	**(51,646)**	**(51,646)**
Lease liabilities	**(3,028)**	**(3,028)**
Accounts payable and accruals	**(4,998)**	**(4,998)**
Deferred tax and income tax liabilities	**-**	**(1,944)**
Net assets acquired	**1,339**	**39,458**
Less: non-controlling interest recognised on acquisition		**(9,470)**
Goodwill arising on acquisition		**30,960**
Total fair value of net assets acquired		**60,948**

For cash flow statement:		
Cash paid on acquisition		**(60,948)**
Cash acquired on acquisition		**479**
Net cash paid on acquisition		**(60,469)**

The goodwill is attributable mainly to the synergies expected to be achieved from integrating the company into the Group's existing business. None of the goodwill recognised is expected to be deductible for tax purposes.

Acquisition related costs of USD 2,425 thousand were expensed and included in general and administrative expenses. The deferred tax liability relates to fair value adjustments on intangible asset related to customer contracts.

The Group has elected to measure the non-controlling interests in the acquiree at the proportionate shares of its interest in the acquiree's identifiable net assets.

From the acquisition date, this acquisition has contributed revenues of USD 32,954 thousand and gross profit of USD 3,344 thousand to the Group's results. If the acquisition had occurred on 1 January 2020, management estimates that consolidated revenue would have increased by USD 13,569 thousand and consolidated gross profit for the year would have increased by USD 1,377 thousand. In determining these amounts, management has assumed that the fair value adjustments, that arose on the date of acquisition would have been the same if the acquisition had occurred on 1 January 2020.

26. Business combinations (continued)

Acquisition of new subsidiaries (continued)

(e) On 5 June 2020, the Group acquired 51% stake in TIS-Container Terminal Ukraine for a purchase consideration of USD 93,706 thousand including a contingent consideration of USD 20,000 thousand. The principal activities to TIS-CT Ukraine includes providing stevedoring and other related services to foreign and domestic sea vessels moored to the company's trans-shipment terminal in Odesa Region, Ukraine. It is engaged in trans-shipment of containers and non-containerized cargo like coal, nickel and manganese ore, ilmenite and oil.

The carrying value and fair value of the identifiable net assets and liabilities on the date of the acquisition were as follows:

	Acquiree's carrying amount	Fair value recognised on acquisition
	USD'000	**USD'000**
Assets		
Property, plant and equipment	**50,536**	**100,956**
Other intangible assets	**27**	**27**
Right-of-use asset	**3,197**	**3,197**
Accounts receivables and deferred tax assets	**6,424**	**6,424**
Inventories	**1,166**	**1,166**
Bank balances and cash	**8,771**	**8,771**
Liabilities		
Lease liabilities	**(3,009)**	**(3,009)**
Accounts payable and accruals	**(7,714)**	**(7,714)**
Deferred tax and income tax liabilities	**(1,495)**	**(10,570)**
Net assets acquired	**57,903**	**99,248**
Less: non-controlling interest recognised on acquisition		**(48,632)**
Goodwill arising on acquisition		**43,090**
Total fair value of net assets acquired		**93,706**

For cash flow statement:		
Cash paid on acquisition		**(73,706)**
Cash acquired on acquisition		**8,771**
Net cash paid on acquisition		**(64,935)**

The goodwill is attributable mainly to the synergies expected to be achieved from integrating the company into the Group's existing business. None of the goodwill recognised is expected to be deductible for tax purposes.

Acquisition related costs of USD 1,236 thousand were expensed and included in general and administrative expenses.

The deferred tax liabilities relate to fair value adjustments on company's property, plant and equipment.

The Group has elected to measure the non-controlling interests in the acquiree at the proportionate shares of its interest in the acquiree's identifiable net assets.

The Group has agreed to pay the previous shareholders an additional contingent consideration based on meeting certain revenue performance targets and registration of certain leasehold properties in the name of acquiree in the next 12 months after the acquisition date. At acquisition date, the fair value of contingent consideration was USD 20,000 thousand which was not materially different at the reporting date as the amounts are likely to be settled within one year from the acquisition date. As at 31 December 2020, the key performance indicators of the acquired business show that it is highly probable that the required performance targets will be achieved, and contingent consideration will be discharged on the due date. The Group has determined that it has a contractual obligation to deliver cash to the seller upon meeting underlying conditions and therefore it has assessed contingent consideration as a financial liability in accordance with IAS 32.

26.Business combinations (continued)

Acquisition of new subsidiaries (continued)

From the acquisition date, this acquisition has contributed revenues of USD 21,153 thousand and gross profit of USD 7,045 thousand to the Group's results. If the acquisition had occurred on 1 January 2020, management estimates that consolidated revenue would have increased by USD 15,109 thousand and consolidated gross profit for the year would have increased by USD 5,032 thousand. In determining these amounts, management has assumed that the fair value adjustments, that arose on the date of acquisition would have been the same if the acquisition had occurred on 1 January 2020.

(f) On 1 January 2020, the Group acquired 100% stake in Novi Sad for a purchase consideration of USD 9,103 thousand. The fair value of the identifiable net assets and liabilities on the date of the acquisition was USD 9,103 thousand resulting in no goodwill on the date of acquisition. From the acquisition date, this acquisition has contributed revenues of USD 10,153 thousand and gross profit of USD 5,194 thousand to the Group's results.

(g) On 19 August 2020, the Group announced the acquisition of 72% shareholding in Transworld Feeders FZCO, and Avana Global FZCO. Leading independent feeder and NVOCC (Non-Vessel Operating Common Carriers) operators, offering container feedering services and regional trade solutions connecting a wide range of ports in the Middle East, the Indian Subcontinent and Far East through their dense network. The transaction is subject to regulatory approvals and not consolidated in these accounts.

27. Significant group entities

The extent of the Group's ownership in its various subsidiaries, equity-accounted investees and their principal activities are as follows:

a) Significant holding companies

Legal Name	Ownership interest	Country of incorporation	Principal activities
DP World FZE	100%	United Arab Emirates	Development and management of international marine and inland terminal operations
Thunder FZE	100%	United Arab Emirates	Holding company
The Peninsular and Oriental Steam Navigation Company Limited ("P&O SNCo")	100%	United Kingdom	Management and operation of international marine terminal operations
Economic Zones World FZE	100%	United Arab Emirates	Development, management and operation of free zones, economic zones, industrial zones and logistics parks
DP World Australia (POSN) Pty Ltd	100%	Australia	Holding company
DPI Terminals Asia Holdings Limited	100%	British Virgin Islands	Holding company
DPI Terminals (BVI) Limited	100%	British Virgin Islands	Holding company
DPI Terminals Asia (BVI) Limited	100%	British Virgin Islands	Holding company
DP World Canada Investment Inc.	55%	Canada	Holding company
Hindustan Infralog Private Limited	65%	India	Holding company
Hindustan Ports Private Limited	100%	India	Holding company
DP World Ports Cooperatieve U.A.	100%	Netherlands	Holding company
DP World Maritime Cooperatieve U.A.	100%	Netherlands	Holding company
DP World International Investment BV	55%	Netherlands	Holding company
DP World Australia BV	55%	Netherlands	Holding company

27. Significant group entities (continued)

b) Significant subsidiaries – Ports

Legal Name	Ownership interest	Country of incorporation	Principal activities
Terminales Rio de la Plata SA	55.62%	Argentina	Container terminal operations
DP World Australia (Holding) Pty Ltd	33.14% ***	Australia	Container terminal operations
Empresa Brasileira de Terminais Portuarious S.A.	100%	Brazil	Container terminal operations
Caucedo Investments Inc.	50% ##	British Virgin Islands	Container terminal operations
Caucedo Services Inc.	50% ##	British Virgin Islands	Container terminal operations
DP World (Canada) Inc.	55%	Canada	Container terminal operations
DP World Prince Rupert Inc.	55%	Canada	Container terminal operations
DP World Fraser Surrey LP	55% ##	Canada	Multi-purpose and general cargo terminal operations
DP World Saint John, Inc.	100%	Canada	Container terminal operations
DP World Chile S.A.	54.89%	Chile	Container terminal operations
DP World Limassol Limited	75%	Cyprus	Multi-purpose and general cargo terminal operations
DP World Sokhna SAE	100%	Egypt	Container terminal operations
DPWorld Posorja S.A.	78%	Ecuador	Container terminal operations
Chennai Container Terminal Private Limited	100%	India	Container terminal operations
India Gateway Terminal Private Ltd	85.02%	India	Container terminal operations
Mundra International Container Terminal Private Limited	100%	India	Container terminal operations
Nhava Sheva International Container Terminal Private Limited	100%	India	Container terminal operations
Nhava Sheva (India) Gateway Terminal Private Limited	100%	India	Container terminal operations
DP World Middle East Limited	100%	Kingdom of Saudi Arabia	Container terminal operations
DP World Maputo S.A.	60%	Mozambique	Container terminal operations
Qasim International Container Terminal Pakistan Ltd	75%	Pakistan	Container terminal operations
DP World Callao S.R.L.	100%	Peru	Container terminal operations
Doraleh Container Terminal S.A. #	33.34% **	Republic of Djibouti	Container terminal operations
Integra Port Services N.V.	80%	Republic of Suriname	Container terminal operations
Suriname Port Services N.V.	80%	Republic of Suriname	General cargo terminal operations
Constanta South Container Terminal SRL	100%	Romania	Container terminal operations
DP World Dakar SA	90%	Senegal	Container terminal operations
DP World Berbera	65%	Somaliland	Container terminal operations
Pusan Newport Co., Ltd	66.03%	South Korea	Container terminal operations
DP World Tarragona SA	60%	Spain	Container terminal operations
DP World Yarımca Liman İşletmeleri AS	100%	Turkey	Container terminal operations
TIS-Container Terminal	51% ##	Ukraine	Multi-purpose terminal
DP World UAE Region FZE	100%	United Arab Emirates	Container terminal operations
London Gateway Port Limited	100%	United Kingdom	Container terminal operations
Southampton Container Terminals Limited	100%	United Kingdom	Container terminal operations
Saigon Premier Container Terminal	80%	Vietnam	Roll-on/ roll-off operations

27. Significant group entities (continued)

c) Associates and joint ventures – Ports

Legal Name	**Ownership interest**	**Country of incorporation**	**Principal activities**
Djazair Port World Spa	50%	Algeria	Container terminal operations
DP World DjenDjen Spa	50%	Algeria	Container terminal operations
Antwerp Gateway N.V	60% *	Belgium	Container terminal operations
Eurofos SARL	50%	France	Container terminal operations
Generale de Manutention Portuaire SA	50%	France	Container terminal operations
Goodman DP World Hong Kong Limited	25%	Hong Kong	Container terminal operations and warehouse operations
Visakha Container Terminals Private Limited	26%	India	Container terminal operations
Rotterdam World Gateway B.V.	30%	Netherlands	Container terminal operations
Qingdao Qianwan Container Terminal Co., Ltd	29%	People's Republic of China	Container terminal operations
Yantai International Container Terminals Ltd	12.50%	People's Republic of China	Container terminal operations
Terminales Portuarios Euroandinos Paita S.A.	50%	Peru	Container terminal operations
Asian Terminals Inc	50.54% *	Philippines	Container terminal operations
Laem Chabang International Terminal Co. Ltd	34.50%	Thailand	Container terminal operations

27. Significant group entities (continued)

d) Other non-port business

Legal Name	**Ownership interest**	**Country of incorporation**	**Principal activities**
P&O Maritime Services Pty Ltd	100%	Australia	Maritime services
DP World Antwerp Terminals N.V.	100%	Belgium	Ancillary container services
Topaz Energy and Marine Limited	100%	Bermuda	Charter of marine vessels and ship management
Unifeeder A/S	100%	Denmark	Maritime transport and logistics
Unimed Feeder Services A/S	100%	Denmark	Maritime transport and logistics
DP World Germersheim GmbH and Co. KG	100%	Germany	Inland container terminal operations
Container Rail Road Services Pvt Limited	100%	India	Container rail freight operations
Continental Warehousing Corporation (Nhava Seva) Limited	60.84%	India	Logistics, warehousing and transportation services
KRIBHCO Infrastructure Limited	46.24% ##	India	Logistics, warehousing and transportation services
Nhava Sheva Business Park Private Limited	65.00%	India	Free trade warehousing zone
Winter Logistics Private Limited	59.29%	India	Cold chain logistics
Empresa de Dragagem do Porto de Maputo, SA	25.50%	Mozambique	Dredging services
Maputo Intermodal Container Depot, SA	50.00%	Mozambique	Inland container depot and warehousing
Sociedade de Desenvolvimento do Porto de Maputo, S.A.	24.74%	Mozambique	Port management and cargo handling
DP World Germany B.V.	100%	Netherlands	Inland container terminal operations
Base Marine Norway AS	51%	Norway	Maritime services
P&O Maritime Services (PNG) Limited	100%	Papua New Guinea	Maritime services
P&O Maritime Paraguay (Holdings) S.A.	100%	Paraguay	Maritime services
Cosmos Agencia Maritima S.A.C.	100%	Peru	Logistics, maritime and warehousing services
Neptunia S.A.	100%	Peru	Logistics and warehousing services
Triton Transports S.A.	100%	Peru	Logistics services
Port Secure FZCO #	40%	Republic of Djibouti	Port security services
DP World Novi Sad AD	100% ##	Republic of Serbia	Inland container terminal operations
Feedertech PTE. LTD.	77% ##	Singapore	Maritime transport and logistics
Perma Shipping Line PTE. LTD.	77% ##	Singapore	Maritime transport and logistics

27. Significant group entities (continued)

d) Other non-port business (continued)

Legal Name	Ownership interest	Country of incorporation	Principal activities
Remolcadores de Puerto y Altura, S.A.	57.01%	Spain	Maritime services
Remolques y Servicios Marítimos, S.L.	93%	Spain	Maritime services
swissterminal Holding AG	44% ##	Switzerland	Inland container terminal operations
BurjTrade Ukraine LLC	100%	Ukraine	Trade facilitation through integrated electronic services
P&O Maritime Ukraine LLC	51%	Ukraine	Maritime services
Dubai International Djibouti FZE #	100%	United Arab Emirates	Port management and operation
Drydocks World LLC	100%	United Arab Emirates	Ship building, repairs and docking services
Dubai Trade FZE	100%	United Arab Emirates	Trade facilitation through integrated electronic services
Maritime World LLC	100%	United Arab Emirates	Property development and leasing
Jebel Ali Free Zone FZE	100%	United Arab Emirates	Management, operation and development of free zones, economic zones and industrial zones
P&O Maritime FZE	100%	United Arab Emirates	Maritime services
P&O Marinas FZE	100%	United Arab Emirates	Operating marinas and property leasing
World Security FZE	100%	United Arab Emirates	Security services
LG Park Freehold Limited	100%	United Kingdom	Management and operation of industrial parks
P&O Ferries Division Holdings Limited	100%	United Kingdom	Ferry services and harbour operator
Hyperloop Technologies, Inc.	76.26% *	United States of America	Development of hyperloop transportation system

* Although the Group has more than 50% effective ownership interest in these entities, they are not treated as subsidiaries, but instead treated as equity-accounted investees. The underlying shareholder agreements/ board composition do not provide control to the Group.

** Although the Group only has a 33.34% effective ownership interest in this entity, it was treated as a subsidiary until 22 February 2018, as the Group was able to govern the financial and operating policies of the company by virtue of an agreement with the other investor.

*** Although the Group only has a 33.14% effective ownership interest in this entity, it is treated as a subsidiary, as the Group is able to govern the financial and operating policies of the company by virtue of an agreement with the other investors.

\# On 22 February 2018, the Government of Djibouti illegally seized control of Djibouti operations and hence the Group has stopped consolidating this entity's operating results. The Group commenced arbitration proceedings before the London Court of International Arbitration to protect its rights, or to secure damages and compensation for breach or expropriation. The London Court of International Arbitration ruled Djibouti government's seizure of control of the terminal from the Group as illegal. The Group will continue to pursue all legal means to defend its rights as a shareholder.

\## Businesses acquired during the year; refer to note 26 for details.

28. Related party transactions

Other related party transactions

Transactions with related parties included in the consolidated financial statements are as follows:

	Parent Company	**Equity-accounted investees**	**Other related parties**	**Total**	Parent Company	Equity-accounted investees	Other related parties	Total
	2020	**2020**	**2020**	**2020**	2019	2019	2019	2019
	USD'000	**USD'000**	**USD'000**	**USD'000**	USD'000	USD'000	USD'000	USD'000
Expenses charged:								
Concession fee	**-**	**-**	**7,872**	**7,872**	**-**	**-**	8,175	8,175
Shared services	**-**	**-**	**247**	**247**	**-**	**-**	287	287
Marine service fees	**-**	**-**	**12,041**	**12,041**	**-**	**-**	13,043	13,043
IT services fee	**-**	**-**	**2,710**	**2,710**	**-**	**-**	4,794	4,794
Other services	**-**	**-**	**3,209**	**3,209**	**-**	**-**	9,234	9,234
Interest expense	**-**	**-**	**54,464**	**54,464**	**-**	**-**	57,395	57,395
Revenue earned:								
Revenue	-	-	**9,131**	**9,131**	-	-	14,284	14,284
Management fee	**-**	**11,205**	**17,379**	**28,584**	**-**	14,956	17,475	32,431
Interest income	**45,774**	**1,989**	**-**	**47,763**	**-**	6,817	**-**	6,817

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

	Due from related parties		**Due to related parties**	
	2020	2019	**2020**	2019
	USD'000	USD'000	**USD'000**	USD'000
Ultimate Parent Company	**2,393**	2,396	**1,501**	1,499
Parent Company	**1,546,473**	30	**2**	3
Equity-accounted investees	**139,818**	128,725	**11,731**	1,840
Other related parties	**37,438**	36,017	**29,857**	13,180
Total	**1,726,122**	167,168	**43,091**	16,522

The Group has also issued guarantees on behalf of equity-accounted investees which are disclosed in note 38.

On 17 February 2020, the Group's parent company, Port & Free Zone World FZE (PFZW) entered into USD 9 billion syndicated loan facilities (3 to 5 years tenor) which is guaranteed by the Group. USD 7.9 billion was drawn down by PFZW during the year. The remaining USD 1.1 billion facility has been acceded by the Group on 22 July 2020, which remains undrawn.

On 7 July 2020, the Group has advanced USD 1.5 billion to PFZW as an inter-company loan, for a period of 5.5 years at the interest rate of 6.125% per annum, which has been used by PFZW to prepay its syndicated loan facilities reducing its debt to USD 6.4 billion. (refer to note 38).

Compensation of key management personnel

The remuneration of directors and other key members of the management during the year were as follows:

	2020	2019
	USD'000	USD'000
Short-term benefits and bonus	**14,796**	15,090
Post-retirement benefits	**465**	364
Total	**15,261**	15,454

29 Financial risk management

Overview

The Group has exposure to the following risks from its use of financial instruments:

a) credit risk
b) liquidity risk
c) market risk

This note presents information about the Group's exposure to each of the above risks, the Group's objectives, policies and processes for measuring and managing risk.

The Board of 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. The Group, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Group Audit Committee oversees how management monitors compliance with the Group's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Group. The Group Audit Committee is assisted in its oversight role by Internal Audit. Internal Audit undertakes both regular and ad-hoc reviews of risk management controls and procedures, the results of which are reported to the Audit Committee.

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

a) Credit risk

Credit risk is the risk of financial loss to the Group if a customer fails to meet its contractual obligations, and arises principally from the Group's receivables from customers, amounts due from related parties and investment securities.

Trade and other receivables

The Group trades mainly with recognised and creditworthy third parties. It is the Group's policy that customers who wish to trade on credit terms are subject to credit verification procedures and are required to submit financial guarantees based on their creditworthiness. In addition, receivable balances are monitored on an ongoing basis with the result that the Group's exposure to bad debts is not significant. The Group has not observed any significant changes to debtor days due to COVID-19, as compared to the previous year.

The Group applies IFRS 9 simplified approach to measure expected credit losses (ECLs) which uses a lifetime expected loss allowance for all trade receivables and contract assets. The Group uses an allowance matrix to measure the ECLs of trade receivables which comprise a very large number of small balances. These historical loss rates are calculated using a 'roll rate' method based on the probability of a receivable progressing through successive stages of delinquency to write-off. Thus, expected credit loss rates are based on the payment profile of sales over a period of 60 months before 31 December 2020 and the corresponding historical credit losses experienced within this period. These historical rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of customers to settle the receivables. The Group identified gross domestic product (GDP), global supply/ demand index of container market, global freight rate index of container market, oil prices in international markets and consumer price index (CPI) to be the most relevant factors for performing macro level adjustments in expected credit loss financial model.

29. Financial risk management (continued)

a) Credit risk (continued)

Trade and other receivables (continued)

Other financial assets

Credit risk arising from other financial assets of the Group comprises cash and cash equivalents and certain derivative instruments. The Group's exposure to credit risk arises from default of the counterparty, with a maximum exposure equal to the carrying amount of these instruments.

The Group manages its credit risks with regard to bank deposits, throughout the Group, through a number of controls, which include assessing the credit rating of the bank either from public credit ratings, or internal analysis where public data is not available and consideration of the support for financial institutions from their central banks or other regulatory authorities.

Financial guarantees

The Group's policy is to consider the provision of a financial guarantee to wholly-owned subsidiaries or parent, where there is a commercial rationale to do so. Guarantees may also be provided to equity-accounted investees in very limited circumstances for the Group's share of obligation. The provision of guarantees always requires the approval of senior management.

i. Exposure to credit risk

The carrying amount of financial assets represents the maximum credit exposure as at 31 December:

	2020	2019
	USD'000	USD'000
FVOCI – equity instruments	**20,487**	20,009
Derivative assets	**-**	1,292
Trade and other receivables excluding prepayments	**3,959,072**	2,085,637
Cash and cash equivalents	**2,142,110**	2,943,359
Total	**6,121,669**	5,050,297

The maximum exposure to credit risk for current trade receivables (net) at the reporting date by operating segments are as follows:

	2020	2019
	USD'000	USD'000
Asia Pacific and India	**100,984**	69,660
Australia and Americas	**204,396**	189,058
Middle East, Europe and Africa	**779,538**	735,338
Total	**1,084,918**	994,056

29 Financial risk management (continued)

a) Credit risk (continued)

i. Exposure to credit risk (continued)

The ageing of current trade receivables (net) at the reporting date was:

	2020	2019
	USD'000	USD'000
Neither past due nor impaired on the reporting date:	**642,559**	617,140
Past due on the reporting date		
Past due 0-30 days	**209,545**	202,197
Past due 31-60 days	**82,988**	57,160
Past due 61-90 days	**29,571**	40,120
Past due > 90 days	**120,255**	77,439
Total	**1,084,918**	994,056

The Group believes that the unimpaired amounts that are past due by more than 30 days are still collectible, based on the historic collection trends.

Movement in the allowance for impairment in respect of trade receivables during the year was:

	2020	2019
	USD'000	USD'000
As at 1 January	**150,963**	129,980
Acquired through business combinations	**2,318**	19,242
Provision recognised during the year	**16,825**	1,741
As at 31 December	**170,106**	150,963

Based on historic default rates, the Group believes that, apart from the above, no impairment allowance is necessary in respect of trade receivables not past due or past due.

Current trade receivables with the top ten customers represent 36% (2019: 34%) of the trade receivables.

b) Liquidity risk

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

29. Financial risk management (continued)

b) Liquidity risk (continued)

The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of bank facilities and by ensuring adequate internally generated funds. The Group's terms of business require amounts to be paid within 60 days of the date of provision of the service. Trade payables are normally settled within 45 days of the date of purchase. COVID-19 has not impacted the Group's ability to maintain the normal payment cycle.

The following are the undiscounted contractual maturities of financial liabilities, including estimated interest payments and the impact of netting agreements.

	Carrying amount	Contractual cash flows	Less than 1 year	1 – 2 years	2 – 5 years	More than 5 years
	USD'000	USD'000	USD'000	USD'000	USD'000	USD'000
Non derivative financial liabilities						2019
Issued bonds	8,984,257	(15,658,089)	(896,915)	(414,258)	(2,371,418)	(11,975,498)
Convertible bonds	222,236	(274,730)	(4,551)	(4,501)	(265,678)	-
Bank loans	4,074,391	(5,550,965)	(770,426)	(325,914)	(1,767,353)	(2,687,272)
Loans from non-controlling shareholders	689,017	(808,577)	(24,976)	(23,896)	(91,050)	(668,655)
Lease and service concession liabilities	2,513,190	(7,866,780)	(311,468)	(339,915)	(675,968)	(6,539,429)
Trade and other payables	2,020,656	(2,065,788)	(1,846,667)	(59,227)	(20,208)	(139,686)
Derivative financial liabilities						
Interest rate swaps used for hedging	89,935	(97,368)	29	(46,072)	(36,888)	(14,437)
Embedded derivative option	14,311	-	-	-	-	-
Total	18,607,993	(32,322,297)	(3,854,974)	(1,213,783)	(5,228,563)	(22,024,977)

Non derivative financial liabilities						**2020**
Issued bonds	**8,618,876**	**(14,873,950)**	**(416,874)**	**(416,915)**	**(2,331,886)**	**(11,708,275)**
Bank loans	**4,496,479**	**(5,992,744)**	**(704,284)**	**(376,324)**	**(1,974,987)**	**(2,937,149)**
Loans from non-controlling shareholders	**811,366**	**(1,218,600)**	**(50,743)**	**(49,663)**	**(170,460)**	**(947,734)**
Lease and service concession liabilities	**3,164,442**	**(9,240,385)**	**(355,115)**	**(342,160)**	**(824,510)**	**(7,718,600)**
Trade and other payables	**2,482,429**	**(2,518,617)**	**(2,344,717)**	**(71,936)**	**(13,888)**	**(88,076)**
Contingent consideration payable	**20,000**	**(20,000)**	**(20,000)**	**-**	**-**	**-**
Derivative financial liabilities						
Interest rate swaps used for hedging	**145,281**	**(154,778)**	**(47,067)**	**(41,064)**	**(56,205)**	**(10,442)**
Total	**19,738,873**	**(34,019,074)**	**(3,938,800)**	**(1,298,062)**	**(5,371,936)**	**(23,410,276)**

Also, refer to note 38 for further details on financial guarantees and letters of credit.

29. Financial risk management (continued)

c) Market risk

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

The Group enters into derivative contracts, in order to manage market risks. All such transactions are carried out within the guidelines set by the Board of Directors in the Group Treasury policy. Generally, the Group seeks to apply hedge accounting in order to manage the volatility in the consolidated statement of profit or loss.

During the year, COVID-19 had no significant impact on Group's exposure to foreign exchange and interest rate risks.

i. Currency risk

The proportion of the Group's net operating assets denominated in foreign currencies (i.e. other than the functional currency of the Company, UAE dirhams) is approximately 57% (2019: 66.5%) with the result that the Group's USD consolidated statement of financial position, and in particular shareholder's equity, can be affected by currency movements when it is retranslated at each year end rate. The Group partially mitigates the effect of such movements by borrowing in the same currencies as those in which the assets are denominated. Generally, borrowings are denominated in currencies that match the cash flows generated by the underlying foreign operations of the Group. This provides an economic hedge without derivatives being entered into and therefore hedge accounting is not applied in these circumstances. The impact of currency movements on operating profit is partially mitigated by interest costs being incurred in foreign currencies. The Group operates in some locations where the local currency is fixed to the Group's presentation currency of USD further reducing the risk of currency movements.

A portion of the Group's activities generate part of their revenue and incur some costs outside their main functional currency. Due to the diverse number of locations in which the Group operates there is some natural hedging that occurs within the Group. When it is considered that currency volatility could have a material impact on the results of an operation, hedging using foreign currency forward exchange contracts is undertaken to reduce the short-term effect of currency movements.

When the Group's businesses enter into capital expenditure or lease commitments in currencies other than their main functional currency, these commitments are hedged in most instances using foreign currency forward exchange contracts in order to fix the cost when converted to the functional currency. The Group classifies its foreign currency forward exchange contracts hedging forecast transactions as cash flow hedges and states them at fair value.

29. Financial risk management (continued)

c) Market risk (continued)

i. Currency risk (continued)

Exposure to currency risk

The Group's financial instruments in different currencies were as follows:

									2019
	USD*	GBP	EUR	AUD	INR	CAD	KRW	Others	Total
	USD'000	USD'000	USD'000	USD'000	USD'000	USD'000	USD'000	USD'000	USD'000
Cash and cash equivalents	1,933,119	202,619	250,813	68,445	175,791	118,399	119,965	74,208	2,943,359
Trade receivables	758,060	200,892	130,403	61,432	40,119	52,812	29,408	50,604	1,323,730
Unbilled revenue	147,441	20,020	12,559	1,314	8,141	600	545	2,867	193,487
Deposits receivable	10,759	1,190	49,780	80	1,786	-	702	2,162	66,459
Bank loans	(1,898,272)	(1,000,056)	(44,491)	(312,209)	(112,994)	(435,714)	-	(270,655)	(4,074,391)
Loan from non-controlling shareholders	(7,802)	-	(18,500)	(553,363)	-	(109,352)	-	-	(689,017)
Unsecured bonds	(7,915,930)	(456,500)	(834,063)	-	-	-	-	-	(9,206,493)
Lease and service concession liabilities	(1,012,228)	(575,945)	(211,153)	(493,771)	(14,755)	(163,427)	(19,867)	(22,044)	(2,513,190)
Trade payables	(146,744)	(110,776)	(98,487)	(13,601)	(21,843)	(3,864)	(11,243)	(48,729)	(455,287)
Advances and deposits from customers	(438,302)	-	-	-	(9,478)	-	-	(1,782)	(449,562)
Net consolidated statement of financial position exposures	(8,569,899)	(1,718,556)	(763,139)	(1,241,673)	66,767	(540,546)	119,510	(213,369)	(12,860,905)

29. Financial risk management (continued)

c) Market risk (continued)

i. Currency risk (continued)

Exposure to currency risk (continued)

	USD*	GBP	EUR	AUD	INR	CAD	KRW	Others	2020 Total
	USD'000	USD'000	USD'000	USD'000	USD'000	USD'000	USD'000	USD'000	USD'000
Cash and cash equivalents	1,231,612	202,411	254,105	60,144	68,477	76,540	135,016	113,805	2,142,110
Trade receivables	846,159	226,776	118,235	57,517	54,796	62,563	27,184	51,726	1,444,956
Unbilled revenue	123,434	25,547	4,869	-	6,103	762	253	2,028	162,996
Deposits receivable	16,091	-	1,651	-	886	-	1,479	124	20,231
Bank loans	(2,335,858)	(1,017,029)	(44,468)	(341,616)	(95,929)	(411,244)	-	(250,335)	(4,496,479)
Loan from non-controlling shareholders	(20,622)	-	(17,455)	(578,179)	-	(195,110)	-	-	(811,366)
Unsecured bonds	(7,232,883)	(472,255)	(913,738)	-	-	-	-	-	(8,618,876)
Lease and service concession liabilities	(1,653,654)	(522,626)	(119,329)	(542,258)	(11,830)	(254,747)	(20,486)	(39,512)	(3,164,442)
Trade payables	(125,694)	(168,575)	(97,994)	(8,133)	(17,919)	(14,294)	(6,742)	(36,090)	(475,441)
Advances and deposits from customers	(402,068)	-	-	-	(5,714)	-	-	(231)	(408,013)
Net consolidated statement of financial position exposures	(9,553,483)	(1,725,751)	(814,124)	(1,352,525)	(1,130)	(735,530)	136,704	(158,485)	(14,204,324)

* The functional currency of the Company is UAE dirham. UAE dirham is pegged to USD and therefore the Group has no foreign currency risk on these balances.

29. Financial risk management (continued)

c) Market risk (continued)

i. Currency risk (continued)
Sensitivity analysis

A 10% strengthening of the USD against the following currencies at 31 December would have increased/ (decreased) the consolidated statement of profit or loss and the consolidated statement of other comprehensive income by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant. Furthermore, as each entity in the Group has its own functional currency, the effect of translating financial assets and liabilities of the respective entity would mainly impact the consolidated statement of other comprehensive income.

	Consolidated statement of profit or loss		**Consolidated statement of other comprehensive income**	
	2020	2019	**2020**	2019
	USD'000	USD'000	**USD'000**	USD'000
GBP	**(5,758)**	(5,428)	**(191,809)**	(190,951)
EUR	**(30)**	(189)	**(90,458)**	(84,793)
AUD	**(4,307)**	(3,750)	**(150,281)**	(137,964)
INR	**(751)**	(458)	**(126)**	(7,419)
CAD	**(2,565)**	(1,556)	**(81,726)**	(60,061)
KRW	**(45)**	(203)	**(15,189)**	(13,279)

A 10% weakening of the USD against the above currencies at 31 December would have had the equal but opposite effect on the above currencies to the amounts shown above, on the basis that all other variables remain constant.

ii. Interest rate risk

The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's long-term debt obligations with a fixed/ floating interest rate and bank deposits.

The Group's policy is to manage its interest cost by entering into interest rate swap agreements, in which the Group agrees to exchange, at specified intervals, the difference between fixed and variable rate interest amounts calculated by reference to an agreed-upon notional principal amount. These swaps are designated to hedge underlying debt obligations.

At 31 December 2020, after taking into account the effect of interest rate swaps, approximately 94% (2019: 92%) of the Group's borrowings are at a fixed rate of interest.

Profile

At the reporting date the interest rate profile of the Group's interest bearing financial instruments was:

	Carrying amounts	
	2020	2019
	USD'000	USD'000
Fixed rate instruments		
Financial liabilities (include loans and borrowings, loan from non-controlling shareholders and lease & concession liabilities)	**(13,414,275)**	(13,076,339)
Interest rate swaps hedging floating rate debt	**(2,663,728)**	(2,098,943)
Total	**(16,078,003)**	(15,175,282)
Variable rate instruments		
Financial assets (include short term deposits and deposits under lien)	**742,065**	1,886,872
Financial liabilities (include loans and borrowings, loan from non-controlling shareholders and lease & concession liabilities)	**(3,676,888)**	(3,406,752)
Interest rate swaps hedging floating rate debt	**2,663,728**	2,098,943
Total	**(271,095)**	579,063

29. Financial risk management (continued)

c) Market risk (continued)

ii. Interest rate risk **(continued)**

Cash flow sensitivity analysis for variable rate instruments

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

	Consolidated statement of profit or loss		**Consolidated statement of other comprehensive income**	
	100 bp increase	**100 bp decrease**	**100 bp increase**	**100 bp Decrease**
	USD'000	**USD'000**	**USD'000**	**USD'000**
2020				
Variable rate instruments	**(2,711)**	**2,711**	**-**	**-**
Interest rate swaps	**(1,150)**	**1,150**	**25,487**	**(25,487)**
Cash flow sensitivity (net)	**(3,861)**	**3,861**	**25,487**	**(25,487)**
2019				
Variable rate instruments	5,791	(5,791)	-	-
Interest rate swaps	(1,350)	1,350	19,639	(19,639)
Cash flow sensitivity (net)	4,441	(4,441)	19,639	(19,639)

29. Financial risk management (continued)

d) Fair value

Fair value versus carrying amount

The fair values of financial assets and liabilities, together with the carrying amounts shown in the consolidated statement of financial position are as follows:

		2020	**2020**	2019	2019
	Fair value hierarchy	**Carrying amount**	**Fair value**	Carrying amount	Fair value
		USD'000	**USD'000**	USD'000	USD'000
FVOCI – equity instruments	**2**	**20,487**	**20,487**	20,009	20,009
Financial assets at FVTPL					
Derivative instruments for hedging	**2**	**-**	**-**	1,292	1,292
Financials assets carried at amortised cost					
Trade and other receivables**		**3,959,072**	**3,959,072**	2,085,637	2,085,637
Cash and cash equivalents*		**2,142,110**	**2,142,110**	2,943,359	2,943,359
Financial liabilities carried at fair value					
Interest rate swaps used for hedging	**2**	**(145,281)**	**(145,281)**	(89,935)	(89,935)
Embedded derivative option	**2**	**-**	**-**	(14,311)	(14,311)
Financial liabilities carried at amortised cost					
Issued bonds	**1**	**(8,618,876)**	**(10,019,708)**	(8,984,257)	(10,086,366)
Convertible bonds (refer to note 33)	**2**	**-**	**-**	(222,236)	(228,246)
Bank loans*		**(4,496,479)**	**(4,496,479)**	(4,074,391)	(4,074,391)
Loans from non-controlling shareholders*		**(811,366)**	**(811,366)**	(689,017)	(689,017)
Lease and service concession liabilities *		**(3,164,442)**	**(3,164,442)**	(2,513,190)	(2,513,190)
Trade and other payables**		**(2,482,429)**	**(2,482,429)**	(2,020,656)	(2,020,656)
Contingent consideration payable **		**(20,000)**	**(20,000)**	-	-

Fair value hierarchy

The table above analyses assets and liabilities that require or permits fair value measurements or disclosure about fair value measurements.

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2: inputs other than quoted prices included within 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)

* These financial assets and liabilities carry a variable rate of interest and hence, the fair values reported approximate carrying values.

** These financial assets and liabilities have short term maturity and thus, the fair values reported approximate carrying values.

The fair value of foreign currency forward exchange contracts and interest rate swaps is based on the bank quotes at the reporting dates. Similar contracts are traded in an active market and the quotes reflect the actual transactions in similar instruments. The fair value of trade and other receivables and trade and other payables approximates to their carrying values.

The embedded derivative option liability of the convertible bond is fair valued at each reporting date based on the Black and Scholes option pricing model adjusted with market assumptions relating to share price, risk free rate and volatility. The fair value of the host liability component in the convertible bond is arrived at after deducting the fair value of the embedded derivative option liability from the stock exchange quoted closing bid price of the convertible bond as at the reporting date. These bonds have been redeemed during the year (refer to note 33).

29. Financial risk management (continued)

d) Fair value (continued)

Fair value hierarchy (continued)

The fair value for quoted bonds is based on their market price (including unpaid interest) as at the reporting date. Other loans include term loans and finance leases. These are largely at variable interest rates and therefore, the carrying value normally equates to the fair value.

30. Share capital

The share capital of the Company as at 31 December was as follows:

	2020	2019
	USD'000	USD'000
Authorised		
1,250,000,000 of USD 2.00 each	**2,500,000**	2,500,000
Issued and fully paid		
830,000,000 of USD 2.00 each	**1,660,000**	1,660,000

31. Reserves

Share premium

Share premium represents surplus received over and above the nominal cost of the shares issued to the shareholders and forms part of the shareholder equity. The reserve is not available for distribution except in circumstances as stipulated by the DIFC Companies Law.

Shareholders' reserve

Shareholders' reserve forms part of the distributable reserves of the Group.

Other reserves

The following table shows a breakdown of 'other reserves' and the movements in these reserves during the year. A description of the nature and purpose of each reserve is provided below the table.

	Hedging and other reserves	**Actuarial reserve**	**Total other reserves**
	USD'000	**USD'000**	**USD'000**
Balance as at 1 January 2019	27,472	(585,662)	(558,190)
Other comprehensive income, net of tax	(31,075)	(3,186)	(34,261)
Balance as at 31 December 2019	(3,603)	(588,848)	(592,451)
Balance as at 1 January 2020	**(3,603)**	**(588,848)**	**(592,451)**
Other comprehensive income, net of tax	**(49,192)**	**(33,115)**	**(82,307)**
Balance as at 31 December 2020	**(52,795)**	**(621,963)**	**(674,758)**

Hedging and other reserves

The hedging reserve comprises the effective portion of the cumulative net change in the fair value of the cash flow hedging instruments related to hedge transactions that have not yet occurred.

The other reserves mainly include statutory reserves of subsidiaries as required by applicable local legislations. This reserve also includes the unrealised fair value changes on FVOCI financial instruments.

Actuarial reserve

The actuarial reserve comprises the cumulative actuarial losses recognised in the consolidated statement of other comprehensive income.

31. Reserves (continued)

Translation reserve

The translation reserve comprises all foreign currency differences arising from the translation of the financial statements of foreign operations whose functional currencies are different from that of the Group's presentation currency. It mainly includes foreign exchange translation differences arising from the translation of goodwill and purchase price adjustments which are denominated in foreign currencies at the Group level.

32. Hybrid equity instrument

Subordinated perpetual certificates

On 1 July 2020, the Group issued unsecured subordinated perpetual certificates ("hybrid bond") of USD 1,500,000 thousand which are listed on London stock exchange and Nasdaq Dubai. These bonds are deeply subordinated with no maturity date. The bonds have a fixed profit rate of 6% per annum payable semi-annually in arrears till the first call date on 1 October 2025 and will be reset thereafter every 5 years to a new fixed rate plus the margin.

The Group has an unconditional right to avoid paying out cash or another financial asset for the principal or profit as there is no contractual obligation to make any profit payment under the terms of the hybrid bond. Consequently, in compliance with IAS 32, these bonds are recorded as equity instruments and accordingly, these are accounted at net of transaction costs and discount of USD 23,314 thousand on their initial recognition.

33. Loans and borrowings

	2020	2019
	USD'000	USD'000
Issued bonds	**8,618,876**	8,984,257
Bank loans	**4,496,479**	4,074,391
Convertible bonds *	**-**	222,236
	13,115,355	13,280,884
of which:		
Classified as non-current	**12,617,341**	12,185,472
Classified as current	**498,014**	1,095,412
of which:		
Secured loans and borrowings	**3,393,881**	3,529,257
Unsecured loans and borrowings	**9,721,474**	9,751,627

The below table provides movement of loans and borrowings:

	2020	2019
	USD'000	USD'000
Balance at 1 January	**13,280,884**	10,396,556
Cash flow items		
Proceeds from issue of bonds (net of transaction cost paid)	-	2,311,179
Drawdown of borrowings during the year	**1,870,540**	846,195
Repayment of borrowings during the year	**(2,267,639)**	(767,084)
Repurchase of convertible bonds *	**(254,400)**	(679,074)
Redemption of Sukuk	-	(232,014)
Other non-cash items		
Acquired through business combinations	**334,954**	1,528,293
Interest accretion on convertible bonds	**32,096**	18,776
Transaction cost written off/ amortised during the year	**20,182**	10,358
Translation adjustments	**98,738**	(152,301)
Balance at 31 December	**13,115,355**	13,280,884

33 Loans and borrowings (continued)

The loans and borrowings carry interest rate in the range of 0.6 % to 11.33% per annum.

* During 2020, the Group redeemed the remaining USD 254,400 thousand of 10 year USD 1 billion unsecured convertible bonds due 2024.

During the current year, the parent company (PFZW) has acceded USD 1.1 billion of its undrawn facility to the Group. (refer to note 38)

At 31 December 2020, the undrawn committed borrowing facilities of USD 3.4 billion (2019: USD 2 billion) were available to the Group, in respect of which all conditions precedent had been met. These include the undrawn facility of USD 1.1 billion acceded by PFZW.

The maturity profile of the Group's loans and borrowings (including acquired from business combinations) as of 31 December is as below:

Year of maturity	Bonds	Loans	Total
	USD'000	USD'000	USD'000
2021*	-	498,014	498,014
2022	-	181,096	181,096
2023	1,194,726	498,302	1,693,028
2024	-	330,893	330,893
2025*	-	703,632	703,632
2026	913,738	305,551	1,219,289
2027	7,972	485,258	493,230
2028	993,561	189,602	1,183,163
2029	985,101	67,823	1,052,924
2030*	968,258	91,051	1,059,309
2031	-	73,401	73,401
2032-38	1,740,554	752,361	2,492,915
Beyond 2038	1,814,966	319,495	2,134,461
Total	**8,618,876**	**4,496,479**	**13,115,355**

Certain property, plant and equipment and port concession rights are pledged against the facilities obtained from the banks (refer to note 11). The deposits under lien are placed to collateralise some of the borrowings of the Company's subsidiaries (refer to note 20).

Information about the Group's exposure to interest rate, foreign currency and liquidity risk are described in note 28.

* This includes loans and borrowings acquired through business combinations.

34 Lease and service concession liabilities

a. Group as a lessee / concessionaire

	Lease liabilities (IFRS 16)	**Service concession liabilities (IFRIC 12)**	**Total**	**Lease liabilities (IFRS 16)**	**Service concession liabilities (IFRIC 12)**	**Total**
	2020	**2020**	**2020**	2019	2019	2019
	USD'000	**USD'000**	**USD'000**	USD'000	USD'000	USD'000
At 1 January	**2,513,190**	**-**	**2,513,190**	23,207	-	23,207
At 1 January 2019 upon adoption of IFRS 16	**-**	**-**	**-**	1,937,814	-	1,937,814
Acquired through business combination	**103,313**	**-**	**103,313**	554,602	-	554,602
Payments during the period	**(355,814)**	**(24,011)**	**(379,825)**	(302,831)	-	(302,831)
New leases/ service concessions entered during the period	**262,287**	**412,730**	**675,017**	87,617	-	87,617
Interest expense (refer to note 7)	**142,666**	**25,896**	**168,562**	138,749	-	138,749
Lease modifications during the period	**(35,571)**	**-**	**(35,571)**	-	-	-
Reclassified from other liabilities	**-**	**37,218**	**37,218**	31,879	-	31,879
Translation adjustment	**78,979**	**3,559**	**82,538**	42,153	-	42,153
As at 31 December	**2,709,050**	**455,392**	**3,164,442**	2,513,190	-	2,513,190
Lease and service concession liabilities classified as at 31 December:						
Non-current	**2,520,438**	**449,764**	**2,970,202**	2,287,655	**-**	2,287,655
Current	**188,612**	**5,628**	**194,240**	225,535	**-**	225,535
Total	**2,709,050**	**455,392**	**3,164,442**	2,513,190	**-**	2,513,190

Refer to note 12 for right-of-use assets and also refer note 29(b) for maturity profile of lease liabilities.

b. Group as a lessor

Future minimum rentals receivable under non-cancellable operating leases as at 31 December are as follows:

	2020	2019
	USD'000	USD'000
Within one year	**624,000**	763,519
Between one to five years	**1,206,282**	1,415,853
More than five years	**1,093,383**	1,090,432
Total	**2,923,665**	3,269,804

The above operating leases (Group as a lessor) mainly consist of commercial properties leased consisting of land, office accommodation, warehouses and staff accommodation. Besides these, vessels and certain property, plant and equipment are also leased out by the Group. The leases contain renewal options for additional lease periods at rental rates based on negotiations or prevailing market rates.

35 Loans from non-controlling shareholders

	2020	2019
	USD'000	USD'000
Non-current portion	**810,366**	688,017
Current portion	**1,000**	1,000
Total	**811,366**	689,017

These non-current loans mainly include USD 775,172 thousand (2019: USD 664,577 thousand) granted by non-controlling shareholders of entities under 'Australia and Americas' region. These loans carry interest rate ranging between 5.5%-8.0% per annum (2019: 5.5%-8.0% per annum) and repayable between 2023 and 2037.

36 Capital management

The Board's policy is to maintain a strong equity base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Board seeks to maintain a balance between the higher returns that might be possible with higher levels of borrowings and the advantages and security afforded by a sound capital position.

Equity consists of share capital, share premium, shareholders' reserve, retained earnings, hedging and other reserves, actuarial reserve, translation reserve, hybrid equity instrument and non-controlling interests. The primary objective of the Group's capital management strategy is to ensure that it maintains a strong credit rating and healthy capital ratios such as adjusted net debt/ adjusted equity and adjusted net debt/ adjusted EBITDA in order to support its business and maximise shareholder value.

For calculating these ratios:

- Adjusted net debt is defined as total loans and borrowings including lease liabilities less cash and cash equivalents.
- Adjusted EBITDA is defined in note 4 *Segment information*.

The Board monitors these ratios without considering the impact of leases and concession liabilities which require further adjustments to adjusted EBITDA and equity. These modified ratios are also provided as an additional information.

Neither the Company nor any of its subsidiaries are subject to externally imposed capital requirements. The key performance ratios as at 31 December are as follows:

		2020*	2019*	2020	2019
		USD'000	**USD'000**	**USD'000**	USD'000
Total loans and borrowings (refer to note 33)		**13,115,355**	13,280,884	**13,115,355**	13,280,884
Add: lease and concession liabilities (refer to note 34)		**-**	-	**3,164,442**	2,513,190
Less: cash and cash equivalents (refer to note 20)		**(2,142,110)**	(2,943,359)	**(2,142,110)**	(2,943,359)
Total adjusted net debt	**A**	**10,973,245**	10,337,525	**14,137,687**	12,850,715
Equity		**15,400,509**	12,847,218	**15,400,509**	12,847,218
Add: Impacts on retained earnings on initial application of IFRS 16		**-**	446,280	**-**	-
Total	**B**	**15,400,509**	13,293,498	**15,400,509**	12,847,218
Adjusted EBITDA		**3,319,455**	3,305,580	**3,319,455**	3,305,580
Less: leases and concession fee expense		**(379,825)**	(302,831)	**-**	-
Total	**C**	**2,939,630**	3,002,749	**3,319,455**	3,305,580
Adjusted net debt/ adjusted equity	**A / B**	**0.71**	0.78	**0.92**	1.00
Adjusted net debt/ adjusted EBITDA	**A / C**	**3.73**	3.44	**4.26**	3.89

* Ratios recomputed without considering the impacts of leases and concession liabilities.

37 Capital commitments

	2020	2019
	USD'000	USD'000
Estimated capital expenditure contracted for as at 31 December	**823,834**	753,750

38 Contingencies

The Group has the following contingent liabilities arising in the ordinary course of business at 31 December:

	2020	2019
	USD'000	USD'000
Performance guarantees	**131,726**	156,146
Payment guarantees	**67,116**	60,578
Letters of credit	**110,899**	15,595
Guarantees issued on behalf of equity-accounted investees	**41,985**	40,825
Guarantees given on behalf of Parent company's external debt*	**6,400,000**	-
Total	**6,751,726**	273,144

* On 17 February 2020, the Group's Parent Company, Port & Free Zone World FZE (PFZW) entered into USD 9 billion syndicated loan facilities (3 to 5 years tenor) which is guaranteed by the Group. USD 7.9 billion was drawn down by PFZW as at 30 June 2020. The remaining USD 1.1 billion facility has been acceded by the Group on 22 July 2020, which remains undrawn. On 7 July 2020, USD1.5 billion has been prepaid by PFZW under the syndicated loan facilities, reducing its debt to USD 6.4 billion.

The Group has entered into certain agreements with landlords and port authorities which may contain specific volume or payment commitments that could result in minimum concession/lease fees being payable on failure to meet those targets.

39 Subsequent events

a) In January 2021, the Group completed the acquisition of 60% shareholding in UNICO Logistics Co. Ltd, Headquartered in South Korea, UNICO has a global footprint of 25 subsidiaries in 20 countries and is one of the largest independent NVOCC (Non-Vessel Operating Common Carriers) operators in South Korea. UNICO is a multimodal transport specialist with strong market position in the fast-growing transcontinental rail freight market between East-Asia and Central-Asia and Russia, in particular on the strategically important Trans-Siberian Railway and Trans China Railway.

b) On 25 January 2021, the Group signed a 20-year concession agreement with the Government of Angola to operate the multipurpose terminal at the Port of Luanda, Angola and started operations on 1 March 2021.

c) On 6 March 2021, the Group, alongside its partner Caisse de dépôt et placement du Québec (CDPQ), a global investment group, signed a 35 year concession agreement to partner with Indonesia's leading conglomerate Maspion Group to develop and operate an integrated container port and industrial & logistics park in Gresik (Java), Indonesia. The first phase of the greenfield project, with an estimated initial investment of USD 435 million, will add container capacity of 1 million TEU (twenty-foot equivalent units) and 110 hectare of industrial & logistics park. Following completion of legal and regulatory condition precedents, construction is expected to start in the third quarter of 2021 and take approximately 24 months to complete. The initial investment of USD 435 million will be spread over 24 months and the total project cost of more than USD 1 billion over three phases will be dependent on market demand for the port and park.