Gulf General Investments Co. PSC and its subsidiaries

Consolidated financial statements
31 December 2015

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BOARD OF DIRECTORS REPORT FOR THE YEAR ENDED 31ST DECEMBER 2015

Dear Shareholders,

It is our pleasure to meet you and to present our 42nd Annual Report, which includes the consolidated Financials for GGICO and its subsidiaries (The Group) as on 31st Dec '15 and group activities and their results.

2015 is the 3rd consecutive year of profit after 3 years of continuous loss since the financial crisis.

The market conditions for 2015 were tough. However, in real estate, the Group has maintained the rental rates and the occupancy. Also, new real estate developments has been started in different parts of Dubai.

In the last year report, we announced that we have started activities in gourmet, entertainment, hospitality and retail as part of shifting our business model with the GDP model of Dubai. We are pleased to inform that our companies in these sectors are outperforming the industry performance.

The following are the financial results of the Group:

- **Revenue**
  Revenue of the group for the year 2015 was **AED 940** million, as compared to **AED 1,075** million in previous year.

- **Expenditure**
  Total expenditure, which consists of Administrative expenses, Distribution expenses and Provisions for the group is **AED 374** million for the year 2015, compared to **AED 289** million in the year 2014. The increase is mainly due to the increase in new companies, its staff cost and also general provision taken by the company on a prudent basis.

- **Net Profit**
  The Group has achieved a profit of **AED 20** million during the year 2015 as compared to profit of **AED 97** million for the year 2014. The main reason for reduction in profit is due to provisions in the insurance division.

- **Assets**
  The total assets of the Group amounted to **AED 6.17** billion for the year 2015 as compared to **AED 6.10** billion in the year 2014.

- **Shareholders Equity**
  Shareholders equity, including the minority interest, is **AED 1.26** billion for the year 2015, as compared to **AED 1.27** billion in the year 2014.

The main objective of the Board of Directors is the benefit of Group as well as its shareholders. Hence, we are working hard to carefully assess the investments of the Group and to assure continued profit for the coming years and enhance the value of the group investments

We thank all shareholders and the Government authorities for their support towards our company.

We thank all the Group Management and all the staff and auditors for their contributions and cooperation, which helped the Group in successfully achieving its target.

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DIRECTOR

GULF GENERAL INVESTMENT P.S.CO. P.O.Box: 22588, Dubai-U.A.E. GGICO

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Independent auditors' report

The Shareholders
Gulf General Investments Co. PSC

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of Gulf General Investments Co. PSC ("the Company") and its subsidiaries ("the Group"), which comprise the consolidated statement of financial position as at 31 December 2015, the consolidated statements of profit or loss, other comprehensive income, changes in equity and cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

Management's responsibility for the consolidated financial statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards and their preparation in compliance with the applicable provisions of the UAE Federal Law No. (2) of 2015, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at 31 December 2015, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards.

Report on Other Legal and Regulatory Requirements

Further, as required by the UAE Federal Law No. (2) of 2015, we report that:

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

ii) the consolidated financial statements have been prepared and comply, in all material respects, with the applicable provisions of the UAE Federal Law No. (2) of 2015;

iii) the Group has maintained proper books of accounts;

iv) the financial information included in the Directors' report, in so far as it relates to these consolidated financial statements, is consistent with the books of accounts of the Group;

v) as disclosed in note 9 to the consolidated financial statements, the Group has purchased shares during the year ended 31 December 2015;

vi) note 12 to the consolidated financial statements discloses material related party transactions and the terms under which they were conducted; and

vii) based on the information that has been made available to us nothing has come to our attention which causes us to believe that the Group has contravened during the financial year ended 31 December 2015 any of the applicable provisions of the UAE Federal Law No. (2) of 2015 or in respect of the Company its Articles of Association, which would materially affect its activities or its consolidated financial position as at 31 December 2015.

KPMG Lower Gulf Limited
Munther Dajani
Registration No: 268
Dubai, United Arab Emirates

Date: 28 MAR 2016

Gulf General Investments Co. PSC and its subsidiaries

Consolidated statement of financial position
as at 31 December 2015

	Note	31 December 2015 AED '000	31 December 2014 AED '000 *(Restated)**	1 January 2014 AED '000 *(Restated)**
Assets				
Non-current assets				
Property, plant and equipment	*5*	**445,139**	450,572	697,951
Investment properties	*6*	**2,436,303**	2,255,341	2,280,852
Goodwill	*7*	**11,500**	11,500	12,000
Investments in associates and joint ventures	*8*	**238,589**	301,511	103,791
Investments in securities	*9*	**80,507**	79,532	190,578
Trade and other receivables	*13a*	**245,289**	352,343	377,666
		3,457,327	3,450,799	3,662,838
Current assets				
Properties held for development and sale	*10*	**580,562**	607,878	409,982
Inventories	*11*	**60,681**	94,238	129,528
Due from related parties	*12*	**89,619**	189,626	142,983
Trade and other receivables	*13a*	**1,089,655**	811,287	1,094,479
Re-insurance contract assets	*13b*	**226,787**	185,626	152,230
Investments in securities	*9*	**299,325**	359,190	386,865
Cash in hand and at bank	*14*	**359,037**	408,018	383,353
		2,705,666	2,655,863	2,699,420
Total assets		**6,162,993**	6,106,662	6,362,258

*Refer to note 2.5 for details.

Gulf General Investments Co. PSC and its subsidiaries

Consolidated statement of financial position (*continued*)

as at 31 December 2015

	Note	**31 December 2015 AED '000**	31 December 2014 AED '000 *(Restated)**	1 January 2014 AED '000 *(Restated)**
Equity and liabilities				
Equity				
Share capital	*15*	**1,791,333**	1,791,333	1,791,333
Legal reserve	*16*	**34,283**	28,752	7,068
Additional reserve	*16*	**7,068**	7,068	7,068
Land revaluation reserve	*16*	**37,747**	37,747	37,747
Cumulative change in fair value of investments measured at fair value through other comprehensive income		**(29,704)**	(30,680)	(109,171)
Accumulated losses		**(801,609)**	(811,346)	(787,416)
Equity attributable to owners of the Company		**1,039,118**	1,022,874	946,629
Non-controlling interests	*33*	**227,870**	254,635	257,143
Total equity		**1,266,988**	1,277,509	1,203,772
Non-current liabilities				
Provision for employees' end of service benefits	*17*	**37,134**	36,860	32,823
Finance lease	*18*	**13,547**	15,941	22,554
Long term portion of term loans	*19*	**1,415,983**	2,172,229	2,529,266
Trade and other payables	*20*	**-**	278,933	257,040
		1,466,664	2,503,963	2,841,683
Current liabilities				
Due to related parties	*12*	**402,181**	447,332	348,153
Insurance contract liabilities	*13b*	**479,772**	460,490	378,188
Finance lease	*18*	**9,594**	8,422	10,406
Short term borrowings	*19*	**1,232,353**	635,469	595,271
Trade and other payables	*20*	**1,305,441**	773,477	984,785
		3,429,341	2,325,190	2,316,803
Total liabilities		**4,896,005**	4,829,153	5,158,486
Total equity and liabilities		**6,162,993**	6,106,662	6,362,258

*Refer to note 2.5 for details.

The accompanying notes 1 to 35 are an integral part of these consolidated financial statements.

The consolidated financial statements were authorised for issue by and on behalf of the Board of Directors on

20 MAR 2016

Mohamed Abdulla Al Sari
Group Managing Director & CEO

The independent auditors' report on consolidated financial statements is set out on pages 2 and 3.

Gulf General Investments Co. PSC and its subsidiaries

Consolidated statement of profit or loss
for the year ended 31 December 2015

	Note	2015 AED '000	2014 AED '000 *(Restated)**
Continuing operations			
Revenue	21	940,599	1,075,927
Cost of revenue	22	(685,170)	(876,848)
Gross profit		255,429	199,079
Administrative and general expenses	23a	(363,378)	(282,735)
Selling and distribution expenses		(11,083)	(6,640)
Other income	23b	17,807	65,261
Change in fair value of investment properties	6	62,330	129,067
Share of (loss)/ profit in associates and joint ventures	8	(1,444)	14,246
Change in fair value of investments in securities – net	9	(20,829)	37,620
Gain on sale of investments in securities		3,520	11,434
Profit on partial disposal of investment in associate		1,078	-
Write down of properties held for development and sale to net realisable value	10	-	(5,000)
Gain recognised on partial disposal of investment in subsidiary		2,826	
Gain recognised on disposal of interest in a subsidiary	24	168,008	-
Finance income	25	14,574	15,180
Finance cost	26	(128,119)	(115,344)
Profit from continuing operations		719	62,168
Discontinued operations			
Profit from discontinued operations	24	20,004	35,657
Profit for the year		20,723	97,825
Profit attributable to:			
Owners of the Company		14,348	85,121
Non-controlling interests		6,375	12,704
		20,723	97,825
Earnings per share – Basic (AED Fils per share)	27	0.80	4.75
Earnings per share from continuing operations – Basic (AED Fils per share)		0.04	3.47

*Refer to note 2.5 for details.

The accompanying notes 1 to 35 are an integral part of these consolidated financial statements.

The independent auditors' report on consolidated financial statements is set out on pages 2 and 3.

Gulf General Investments Co. PSC and its subsidiaries

Consolidated statement of other comprehensive income
for the year ended 31 December 2015

	Note	2015 AED '000	2014 AED '000 (Restated)*
Profit for the year		**20,723**	97,825
Other comprehensive income			
Items that will never be reclassified to profit or loss:			
Share in other comprehensive income of associates and joint ventures (fair value through other comprehensive income ("FVOCI"))	*8*	**(3,273)**	(7,979)
Change in fair value of investments in securities – net (FVOCI)	*9*	**1,211**	(1,180)
Other comprehensive income for the year		**(2,062)**	(9,159)
Total comprehensive income for the year		**18,661**	88,666
Total comprehensive income attributable to:			
Owners of the Company		**12,286**	75,962
Non-controlling interests		**6,375**	12,704
Total comprehensive income for the year		**18,661**	88,666

*Refer to note 2.5 for details.

The accompanying notes 1 to 35 are an integral part of these consolidated financial statements.

The independent auditors' report on consolidated financial statements is set out on pages 2 and 3.

Gulf General Investments Co. PSC and its subsidiaries

Consolidated statement of changes in equity

for the year ended 31 December 2015

	Share capital AED '000	Legal reserve AED '000	Additional reserve AED '000	Land revaluation reserve AED '000	Cumulative change in fair value of investments AED '000	Cumulative change in fair value of investments measured at fair value through other comprehensive income AED '000	Accumulated losses AED '000	Attributable to owners of the Company AED '000	Non – controlling interests AED '000	Total AED '000
Balance at 1 January 2014 (As previously reported)	1,791,333	7,068	7,068	37,747	(109,171)	-	(739,916)	994,129	299,265	1,293,394
Effect of changes in accounting policies (refer to note 2.5)	-	-	-	-	-	-	(47,500)	(47,500)	(42,122)	(89,622)
Balance at 1 January 2014 (restated)	1,791,333	7,068	7,068	37,747	(109,171)	-	(787,416)	946,629	257,143	1,203,772
Total comprehensive income for the year										
Profit for the year	-	-	-	-	-	-	85,121	85,121	12,704	97,825
Other comprehensive income	-	-	-	-	-	(1,180)	(7,979)	(9,159)	-	(9,159)
Total comprehensive income	-	-	-	-	-	(1,180)	77,142	75,962	12,704	88,666
Other movements										
Dividend paid	-	-	-	-	-	-	-	-	(14,329)	(14,329)
Change in fair value of investments measured at fair value through other comprehensive income – reclassified to accumulated losses	-	-	-	-	-	(3,778)	3,778	-	-	-
Director's fees paid by a subsidiary	-	-	-	-	-	-	(318)	(318)	(282)	(600)
Transferred to accumulated losses (refer to note 8(iii))	-	-	-	-	-	83,512	(83,512)	-	-	-
Upon adoption of IFRS 9	-	-	-	-	109,171	(109,171)	-	-	-	-
Transfer to reserves	-	21,684	-	-	-	-	(21,684)	-	-	-
Change in controlling interest	-	-	-	-	-	(63)	664	601	(601)	-
At 31 December 2014 (restated)	1,791,333	28,752	7,068	37,747	-	(30,680)	(811,346)	1,022,874	254,635	1,277,509

Consolidated statement of changes in equity *(continued)*
for the year ended 31 December 2015

	Share capital AED '000	Legal reserve AED '000	Additional reserve AED '000	Land revaluation reserve AED '000	Cumulative change in fair value of investments AED '000	Cumulative change in fair value of investments measured at fair value through other comprehensive income AED '000	Accumulated losses AED '000	Attributable to owners of the Company AED '000	Non – controlling interests AED '000	Total AED '000
Balance at 1 January 2015 (as restated)	1,791,333	28,752	7,068	37,747	-	(30,680)	(811,346)	1,022,874	254,635	1,277,509
Total comprehensive income for the year										
Profit for the year	-	-	-	-	-	-	14,348	14,348	6,375	20,723
Other comprehensive income	-	-	-	-	-	1,211	(3,273)	(2,062)	-	(2,062)
Total comprehensive income	-	-	-	-	-	1,211	11,075	12,286	6,375	18,661
Other movements										
Dividend paid	-	-	-	-	-	-	-	-	(17,263)	(17,263)
Change in fair value of investments measured fair value through other comprehensive income – reclassified to accumulated losses	-	-	-	-	-	(235)	235	-	-	-
Director's fees paid by a subsidiary	-	-	-	-	-	-	(318)	(318)	(282)	(600)
Transfer to reserves	-	5,531	-	-	-	-	(5,531)	-	-	-
Acquisition of non-controlling interest without change in control	-	-	-	-	-	-	4,275	4,275	(15,595)	(11,320)
At 31 December 2015	1,791,333	34,283	7,068	37,747	-	(29,704)	(801,609)	1,039,118	227,870	1,266,988

The accompanying notes 1 to 35 are an integral part of these consolidated financial statements.

The independent auditors' report on consolidated financial statements is set out on pages 2 and 3.

Gulf General Investments Co. PSC and its subsidiaries

Consolidated statement of cash flows
for the year ended 31 December 2015

	Note	2015 AED '000	2014 AED '000 (Restated)*
Cash flows from operating activities			
Profit for the year		**20,723**	97,825
Adjustments for:			
Depreciation of property, plant and equipment	*5*	**29,927**	40,170
Change in fair value of investment properties	*6*	**(62,330)**	(129,067)
Impairment of goodwill	*7*	**-**	500
Share of losses/(profit) from associates and joint ventures	*8*	**1,444**	(14,246)
Gain on sale of investment in associates and joint ventures	*8*	**(1,078)**	-
Gain recognised on partial disposal of subsidiary		**(2,826)**	-
Change in fair value of investments measured at fair value through profit or loss	*9*	**20,829**	(37,620)
Write down of properties held for development and sale to net realisable value	*10*	**-**	5,000
Allowance for slow moving inventories	*11*	**-**	6,285
Provision of employees end of service benefits	*17*	**7,919**	8,203
Gain from sale of investments in securities		**(3,520)**	(11,434)
Gain on disposal of investment in subsidiaries	*24*	**(168,008)**	-
(Gain)/loss on disposal of investment properties and properties held for development and sale		**(23,980)**	8,034
Impairment losses on trade receivables		**-**	13,600
Finance income	*25*	**(14,574)**	(15,180)
Finance costs	*26*	**129,105**	118,612
		(66,370)	90,682
Change in re-insurance contract assets		**(41,161)**	(33,396)
Change in insurance contract liabilities		**19,282**	82,300
Change in inventories		**33,557**	29,005
Change in trade and other receivables		**(27,262)**	318,974
Change in due from related parties		**88,687**	(70,703)
Change in trade and other payables		**253,032**	(190,074)
Change in due to related parties		**(45,151)**	34,738
Purchase of investment in securities	*9*	**(565)**	(106,794)
Purchase/ cost incurred of/ on investment properties	*6*	**(120,026)**	(8,878)
Purchase of properties held for development and sale	*10*	**(99,492)**	(146,348)
Proceeds from sale of investments in securities		**43,357**	182,289
Proceed from sale of properties held for development and sale		**152,182**	320,544
		190,070	502,339
Employees' end of service benefits paid	*17*	**(3,016)**	(4,166)
Net cash generated from operating activities		**187,054**	498,173

Consolidated statement of cash flows *(continued)*
for the year ended 31 December 2015

	Note	2015 AED '000	2014 AED '000 *(Restated)**
Cash flows from investing activities			
Movement in fixed deposits	*14*	**97,267**	(2,272)
Purchase of property, plant and equipment	*5*	**(80,881)**	(34,391)
Proceeds from disposal of property, plant and equipment	*5*	**56,387**	2,930
Net cash inflow on disposal of subsidiaries		**21,753**	-
Proceeds from disposal of investment in associates and joint ventures	*8*	**59,283**	1,750
Finance income	*25*	**14,574**	15,180
Net cash generated from / (used in) investing activities		**168,783**	(16,803)
Cash flows from financing activities			
Dividend paid to non-controlling interest		**(17,263)**	(14,329)
Net movement in bank borrowings		**(159,362)**	(316,839)
Net movement in finance lease	*18*	**(1,222)**	(8,597)
Finance costs	*26*	**(129,105)**	(118,612)
Director's fees paid by a subsidiary		**(600)**	(600)
Net cash used in financing activities		**(307,552)**	(458,977)
Net increase in cash and cash equivalents		**48,286**	22,393
Cash and cash equivalents at the beginning of the year		**74,940**	52,547
Cash and cash equivalents at the end of the year	*14*	**123,226**	74,940

*Refer to note 2.5 for details.

The accompanying notes 1 to 35 are an integral part of these consolidated financial statements.

The independent auditors' report on consolidated financial statements is set out on pages 2 and 3.

1 Reporting entity

Gulf General Investments Co. PSC ("the Company") is incorporated under Emiri Decree No. 2/73 dated 27 July 1973 as a Public Shareholding Company. The duration of the Company is ninety nine years commencing from the date of issuance of the above Emiri Decree. The registered address of the Company is P. O. Box 22588, Dubai, United Arab Emirates. The Company is listed on the Dubai Financial Market.

These consolidated financial statements present the financial position and result of the operations and cash flows of the Company and its subsidiaries (collectively referred to as "the Group") and the Group's interest in associates and joint ventures. Refer to notes 3 and 8.

The principal activities of the Group are to act as a real estate agent, manufacturing, retail trading and provision of real estate development, financial, hospitality and other services.

Investment Group (Pvt) Limited, a company registered in UAE is a significant shareholder of the Company ("the significant shareholder").

2 Basis of preparation

2.1 Statement of compliance

The consolidated financial statements of the Group have been prepared in accordance with and comply with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board (IASB).

On 1 April 2015, a new UAE Federal Law No. (2) of 2015 for the Commercial Companies ("UAE Companies Law of 2015") was issued with effective date on 1 July 2015. Companies are allowed to ensure compliance with the new UAE Companies Law of 2015 by 30 June 2016 as per the transitional provisions contained therein. The Group is in the process of adopting the new federal law and will be fully compliant before the transitional provisions deadline.

2.2 Basis of measurement

These financial statements have been prepared on the historical cost basis except in respect of certain property, plant and equipment, investment properties and investments in marketable equity securities which are stated at their fair values.

2.3 Functional and presentation currency

These consolidated financial statements are presented in United Arab Emirates Dirhams (AED), which is the Company's functional currency. All amounts have been rounded to the nearest thousand, unless otherwise indicated.

2.4 Use of estimates and judgements

The preparation of these consolidated financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on a ongoing basis. Revision to accounting estimates are recognised in the period in which the estimates are revised and in the future periods effected.

2 Basis of preparation (continued)

2.4 Use of estimates and judgements (continued)

In particular, information about significant areas of estimation uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognised in the consolidated financial statements are described in note 31.

2.5 Changes in accounting policy

As per Federal Law No 6 of 2007, relating to Establishment of Insurance Authority and regulation of Insurance operations, a new financial regulation for insurance companies was issued on 28 January 2015. The financial regulation provided an alignment period to the insurance companies between one to three years from the publication of financial regulation in Public Gazette from 29 January 2015 to align the operations to the covenants of the regulations therein. The Group is in the process of aligning the operations with the requirement of the regulations and will be fully aligned before the deadline for alignment period.

On 1 October 2015, the Group has early adopted the above directives that relates to basis of recognising technical reserves. Consequently, the Group has changed its basis for recognising Unexpired Premium Risk ("UPR"), Incurred But Not Reported claims ("IBNR"), and Unearned Commission Income from insurance contracts, relating to general insurance business.

Prior to the change, the Group's UPR was computed using an internal statistical model. The change in basis in the current year has resulted in recognising UPR using the 1/365 method except for marine cargo and general accident. The UPR for marine cargo is recognised as fixed proportion of the written premiums as required in the financial regulation and UPR for general accident assumes a linear increase in risk with the duration of the project such that the risk faced is 100% at the expiry of the contract. The rate at which the premium is earned is deemed to increase at the same rate at which the risk faced increases over the lifetime of the policy.

IBNR, prior to change, was computed using the internal statistical model based on historical data. The change in basis has resulted in liability relating to IBNR calculated at the reporting date using a range of standard actuarial claim projection techniques, based on empirical data and current assumptions that may include a margin for adverse deviation as required by the new regulation.

Commission income related to underwriting activities, prior to change, was recognised when the right to receive the income had been established. The change has resulted in recognising commission income related to underwriting activities on a time proportion basis over the effective period of policy using the same basis as described for unexpired risk premium.

Based on the recommendation of the actuary, the Group has retrospectively applied the change. Management believes that the change in basis provides more relevant and reliable information of the Group's consolidated financial performance and its consolidated financial position to the economic decision makers and users.

The effects of changes have been incorporated in accordance with IAS 8 - *Accounting policies, changes in Accounting Estimates and Error*, which requires the comparatives to be restated by adjusting the earliest comparative period presented and presentation of restated consolidated statement of financial position as at 1 January 2014.

2 Basis of preparation (continued)

2.5 Changes in accounting policy (continued)

a) Impact of change in accounting policies on the consolidated statement of financial position as at 1 January 2014:

	As previously reported AED '000	Adjustment AED '000	Restated AED '000
Accumulated losses	739,916	47,500	787,416
Non-controlling interests	(299,265)	42,122	(257,143)
Re-insurance contract assets	157,012	(4,782)	152,230
Insurance contract liabilities	(293,348)	(84,840)	(378,188)

b) Impact of change in accounting policies on the consolidated statement of financial position as at 31 December 2014:

	As previously reported AED '000	Adjustment AED '000	Restated AED '000
Accumulated losses	754,678	56,668	811,346
Non-controlling interests	(304,886)	50,251	(254,635)
Re-insurance contract assets	192,139	(6,513)	185,626
Insurance contract liabilities	(360,084)	(100,406)	(460,490)

c) Impact of change in accounting policies on the consolidated statement of profit or loss for the year ended 31 December 2014:

	As previously reported AED '000	Adjustment AED '000	Discontinued operations* AED '000	Restated AED '000
Revenue	1,375,057	6,233	(305,363)	1,075,927
Cost of revenue	(1,094,716)	(23,530)	241,398	(876,848)
Earning per shares (AED fils per share)	5	(0.25)	-	4.75

*Also refer to note 24 for discontinued operations.

2.6 New standards, interpretations and amendments adopted by the Group

Effective 1 January 2015, following new/ amended International Financial Reporting Standards (IFRS) have become effective and have been applied in preparing the consolidated financial statements:

Improvement/ amendments to IFRSs:

- Defined Benefit Plans: Employee Contributions (Amendments to IAS 19)
- Annual Improvements to IFRSs 2010–2012 Cycle – various standards
- Annual Improvements to IFRSs 2011–2013 Cycle – various standards

The application of these revised IFRSs has not had any significant impact on the amounts reported for the current and prior periods but may affect the accounting for future transactions or arrangements.

2 Basis of preparation (continued)

2.7 New standards and interpretations not yet adopted by the Group

A number of new standards and amendments to standards are effective for annual periods beginning on or after 1 January 2015; however, the Group has not applied the following new or amended standards in preparing these consolidated financial statements:

IFRS 15 Revenue from Contracts with Customers

IFRS 15 establishes a comprehensive framework for determining whether, how much and when revenue is recognised. It replaces existing revenue recognition guidance, including IAS 18 *Revenue*, IAS 11 *Construction Contracts* and IFRIC 13 *Customer Loyalty Programmes*. IFRS 15 is effective for annual reporting periods beginning on or after 1 January 2018, with early adoption permitted.

IFRS 16 Leases (2016)

IFRS 16, published in January 2016 replaces the previous guidance in IAS 17 Leases. Under this revised guidance, leases will be brought onto companies' balance sheets, increasing the visibility of their assets and liabilities. It further the removes the classification of leases as either operating leases or finance leases treating all leases as finance leases from the perspective of the lessee, thereby eliminating the requirement for lease classification test. The revised guidance has an increased focus on who controls the asset and may change which contracts are leases.

IFRS 16 is effective for annual periods beginning on or after 1 January 2019. Early adoption is permitted provided the Company also applies IFRS 15 *Revenue from Contract with Customers*.

The following new or amended standards are not expected to have a significant impact of the Group's consolidated financial statements:

- Accounting for Acquisitions of Interests in Joint Operations (Amendments to IFRS 11).
- Clarification of Acceptable Methods of Depreciation and Amortisation (Amendments to IAS 16 and IAS 38).
- Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to IFRS 10 and IAS 28).
- Annual Improvements to IFRSs 2012–2014 Cycle – various standards.
- Disclosure Initiative (Amendments to IAS 1).

2.8 Funding and liquidity

The Group has bank borrowings and other third party commitments amounting to AED 3.95 billion as at 31 December 2015 *(2014: AED 3.86 billion)* of which AED 2.54 billion *(2014: AED 1.41 billion)* is payable within one year from the reporting date. The Board of Directors expect that the Group will meet its funding requirements through existing cash and bank balance, continuous collections from customers, entering into new financing arrangements with the creditors banks, maintaining cost rationalization initiatives and future income generated from sales at improved market prices.

The Board of Directors and the management have undertaken a variety of initiatives and are continuing with the plans as outlined above, which they believe to be realistic and achievable to ensure the Group's ability to meet its financial commitments as they fall due.

3 Significant accounting policies

Except for the change detailed in note 2.5, the Group has consistently applied the below accounting policies to all periods presented in these consolidated financial statements.

3.1 Basis of consolidation

These consolidated financial statements comprise a consolidation of the audited financial statements of the Company and its subsidiaries on a line-by-line basis together with the Group's interest in the net assets of its associates and joint ventures. For a list of the subsidiaries, associates and joint ventures refer and notes 8 and (f) below.

(a) Business combinations

The Group accounts for business combinations using the acquisition method when control is transferred to the Group. The consideration transferred in the acquisition is generally measured at fair value, as are the identifiable net assets acquired. Any goodwill that arises is tested annually for impairment. Any gain on a bargain purchase is recognised in profit or loss immediately. Transaction costs are expensed as incurred, except if related to the issue of debt or equity securities. The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts are generally recognised in the profit or loss.

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

(b) Subsidiaries

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

3 Significant accounting policies (continued)

3.1 Basis of consolidation (continued)

(b) Subsidiaries (continued)

Details of the Company's subsidiaries at 31 December 2015 are as follows:

Name of the subsidiaries	Place of incorporation	Proportion of ownership (%)	Principal activities
Emirates Lube Oil Co. Ltd. (L.L.C.) and subsidiaries	U.A.E.	100	Manufacturing of and trading in oil, lubricants and grease
Gulf Prefab Houses Factory (L.L.C.) and subsidiaries	U.A.E.	100	Manufacturing of prefab houses, concrete, carpentry, restaurant, ovens, kitchens, central air-conditioning systems
Sogour Al Khaleej General Trading L.L.C.	U.A.E.	100	General trading
G.G.I. Retail General Trading L.L.C. and subsidiaries	U.A.E.	100	General trading
Concept Pipeline Systems LLC	U.A.E.	100	Manufacturing and trading of plastic goods.
Gulf General Steel Co. L.L.C.	U.A.E.	100	Trading in all kinds of steel products
GGICO Investments L.L.C.	U.A.E.	100	Investment in commercial/ industrial/agricultural enterprises and management
L.A.I. General Trading L.L.C.	U.A.E.	100	General trading
GGICO Luxury General Trading L.L.C	U.A.E.	100	General Trading
GGICO Gourmet Investments LLC	U.A.E.	100	Investment in commercial enterprises and management
GGICO Property Services L.L.C.	U.A.E.	100	Leasing property brokerage agents
En Vogue Interiors LLC	U.A.E.	100	Interior decoration
En Vogue Department Store LLC	U.A.E.	100	Department store
GGICO Real Estate Development Co. L.L.C.	U.A.E.	80	Real estate development
Latelier Ships & Boats Maintenance Services LLC	U.A.E.	70	Ships and boats repairing
Al Sagr National Insurance Co. P.S.C. and a subsidiary	U.A.E.	53	The writing of insurance of all types
Times Hotels Management (L.L.C.)	U.A.E.	51	Hotels management
ELCO Richmond Asphalt Product Trading	U.A.E.	51	Trading in asphalt
Oil Lab & Marine Surveyors Co. L.L.C.*	U.A.E.	50	Marine inspection, testing of petroleum products
Dubai Al Ahlia Quick Transport L.L.C.*	U.A.E.	50	Transportation of general materials by trucks
Acorn Industries Co. L.L.C. *	U.A.E.	50	Vehicle body manufacturing, steel, structure parts
Horizon Aluminium Industries L.L.C. *	U.A.E.	50	Building metal products manufacturing

3 Significant accounting policies (continued)

3.1 Basis of consolidation (continued)

(b) Subsidiaries (continued)

Certain percentage of investment in Al Sagr National Insurance Co. P.S.C. is registered in the name of related parties in trust and for the benefit of the Company.

Certain percentage of investments in 100% owned subsidiaries are held by the Company through nominee arrangements.

*The subsidiaries in which the Company has 50% ownership interest are consolidated as the Group is able to govern the financial and operating policies of the subsidiaries.

(c) Non-controlling interests (NCI)

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

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

(d) Loss of control

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

(e) Transactions eliminated on consolidation

Material inter-company transactions, balances, income and expenses on transactions between Group companies are eliminated. Profits and losses resulting from inter-company transactions that are recognised in assets are also eliminated. Consolidated financial statements are prepared using uniform accounting policies for like transactions. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

(f) Interests in associates and joint ventures

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

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

3 Significant accounting policies (continued)

3.1 Basis of consolidation (continued)

(f) Interests in associates and joint ventures (continued)

The Group determines at each reporting date whether there is any objective evidence that the investment in associates and joint ventures is impaired. If this is the case, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate or joint venture and its carrying value and recognises the amount in the consolidated statement of profit or loss.

3.2 Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable excluding discounts, estimated customer returns and rebates and after eliminating sales within the Group, provided it is probable that the economic benefits will flow to the Group and the revenue and costs, if applicable, can be measured reliably. The following specific recognition criteria must also be met before revenue is recognised:

Sale of plots of land

Revenue from the sale of plots of land is recognised in the profit or loss when the significant risks and rewards of ownership are transferred to the buyer, the Group has no further substantial acts to complete under the respective sales contract, access has been granted to the plots and the buyer has provided sufficient evidence of his commitment to complete the payment towards purchase of plots of land and the amount of revenue and associated costs can be measured reliably. Revenue from sale of plots is presented net of returns/ sale cancellations.

Revenue from sale of properties held for development and sale

Revenue from sale of properties held for development and sale is recognised in the profit or loss when the significant risks and rewards of ownership are transferred to the buyer. Significant risks and rewards of ownership are deemed to be transferred to the buyer when price risk is transferred to the buyer by signing of the sales contract and the buyer has been granted access to the property when the construction is complete.

Sale of goods

Revenue from the sale of goods is recognised when all the following conditions are satisfied:

- the Group has transferred to the buyer the significant risks and rewards of ownership of the goods;
- the Group retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the economic benefits associated with the transaction will flow to the entity; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Rendering of services

Revenue from rendering of services is recognised when the outcome of the transaction can be estimated reliably, by reference to the stage of completion of the transaction at the reporting date. Where the outcome cannot be measured reliably, revenue is recognised only to the extent that the expenses incurred are eligible to be recovered.

Securities

Gains and losses on sale of securities are recognised when the securities are sold and title has passed.

3 Significant accounting policies (continued)

3.2 Revenue recognition (continued)

Dividend income

Dividend income is recognised in profit or loss on the date on which the Group's right to receive payment is established.

Rental income

Rental income from investment property leased out under operating leases is recognised in the profit or loss on a straight-line basis over the term of the lease. Contingent rent is recognised in the profit or loss once management is certain of its recovery. Lease incentives granted are recognised as an integral part of the total rental income over the term of the lease. Rental income from other property is recognised as other income.

Hotel revenue

Income from Hotel services rendered to guests and customers is recognised pro-rata over the periods of occupancy. Revenue from sale of food and beverages is recognised upon issuance of related sales invoices on delivery to guests and customers.

3.3 Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

As lessor

Amounts due from lessees under finance leases are recognised as receivables at the amount of the Group's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the Group's net investment outstanding in respect of the leases.

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

As lessee

Assets held under finance leases are initially recognised as assets of the Group at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the statement of financial position as a finance lease obligation.

Lease payments are apportioned between finance expenses and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance expenses are recognised immediately in the profit or loss, unless they are directly attributable to qualifying assets, in which case they are capitalised in accordance with the Group's general policy on borrowing costs. Contingent rentals are recognised as expenses in the periods in which they are incurred.

3 Significant accounting policies (continued)

3.3 Leases (continued)

As lessee (continued)

Operating lease payments are recognised as an expense on a straight-line basis over the lease term, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed. Contingent rentals arising under operating leases are recognised as an expense in the period in which they are incurred.

Lease incentives received are recognised as an integral part of the total lease expense, over the term of the lease.

3.4 Foreign currencies

The individual financial statements of each group entity are presented in the currency of the primary economic environment in which the entity operates. For the purpose of the consolidated financial statements, the results and financial position of each group entity are expressed in United Arab Emirates Dirhams ("AED"), which is the functional currency of the Group and the presentation currency for the consolidated financial statements.

In preparing the financial statements of the individual entities, transactions in currencies other than the entity's functional currency are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are translated at the rates prevailing at the reporting date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences are recognised in the profit or loss in the year in which they arise.

3.5 Borrowing costs

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

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

3.6 Property, plant and equipment

Recognition and measurement

Items of property, plant and equipment are initially recognised at cost less accumulated depreciation and accumulated impairment losses, if any. Cost includes expenditure that is directly attributable to the acquisition of the asset.

The gain or loss on disposal of an item of property, plant and equipment is determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment and is recognised net within "other income" and "general and administration expense" respectively in the profit or loss.

3. Significant accounting policies (continued)

3.6 Property, plant and equipment (continued)

Subsequent costs

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance expenses are charged to the profit or loss in the period in which they are incurred.

Depreciation

Depreciation is calculated to write off the cost of items of property, plant and equipment less their estimated residual values using the straight-line method over their estimated useful lives, and is generally recognised in the profit or loss. The estimated useful lives of property, plant and equipment for the current and comparative period is as follows:

	Useful life (in years)
Buildings, shed and prefab houses	2 to 20
Plant and equipment	5 to 20
Motor vehicles, ships and trucks	10 to 25
Furniture and fixtures	15 to 25
Storage tanks	5
Other assets	12 to 20

Depreciation methods, useful lives and residual values are reassessed at each reporting date and adjusted if appropriate. Any change is accounted for as a change in accounting estimate by changing the depreciation charge for the current and future periods.

Land is not depreciated and is stated at their revalued amounts, being the fair value at the date of revaluation. Revaluations are performed with sufficient regularity such that the carrying amounts do not differ materially from that which would be determined using the fair values at the reporting date.

Any revaluation increase arising on the revaluation of land is credited in other comprehensive income to the land revaluation reserve, except to the extent that it reverses a revaluation decrease for the land previously recognised in the profit or loss, in which case the increase is credited to profit or loss to the extent of the decrease previously charged. A decrease in the carrying amount arising on the revaluation of such land is charged to the profit or loss to the extent that it exceeds the balance, if any, held in the land revaluation reserve relating to a previous revaluation of that asset.

On the subsequent sale or retirement of a revalued land, the attributable revaluation surplus remaining in the land revaluation reserve is transferred directly to retained earnings. No transfer is made from the land revaluation reserve to retained earnings except when the land is derecognised.

Capital work in progress

Properties or assets in the course of construction for production, supply or administrative purposes, or for purposes not yet determined, are carried at cost, less any recognised impairment loss. Cost includes all direct costs attributable to the design and construction of the property including related staff costs, and for qualifying assets, borrowing costs capitalised in accordance with the Group's accounting policy. When the assets are ready for intended use, the capital work in progress is transferred to the appropriate property, plant and equipment category and is depreciated in accordance with the Group's policies.

3 Significant accounting policies (continued)

3.7 Investment properties

Recognition

Land and buildings owned by the Group for the purposes of generating rental income or capital appreciation or both are classified as investment properties. Properties that are being constructed or developed for future use as investment properties are also classified as investment properties.

Measurement

Investment properties are initially measured at cost, including related transaction costs. Subsequent to initial recognition, investment properties are accounted for using the fair value model under International Accounting Standard No. 40 "Investment Property". Any gain or loss arising from a change in fair value is recognized in the profit or loss.

When the Group begins to redevelop an existing investment property for continued future use as an investment property, the property remains as an investment property, which is measured based on fair value model and is not reclassified as property held for development and sale property during the redevelopment with respect to as an investment property.

However, where fair value of investment property under construction is not reliably determinable, the property is measured at cost until the earlier of the date when the construction is complete and the date at which fair value becomes reliably measurable.

Transfer from property, plant and equipment to investment properties

Properties held for own use are accounted for as property, plant and equipment up to the date of the change in use. Any difference at the date of the change in use between the carrying amount of the property and its fair value is recognised as a revaluation of property, plant and equipment. Any existing or arising revaluation surplus previously recognised in other comprehensive income is not transferred to the profit or loss at the date of transfer or on subsequent disposal of the investment property. However, on subsequent disposal, any existing revaluation surplus that was recognised when the Group applied the revaluation model to the property is transferred to retained earnings.

Transfer from properties held for development and sale to investment properties

Certain properties held for development and sale are transferred to investment properties when those properties are either released for rental or for capital appreciation or both. The properties held for sale are transferred to investment properties at fair value on the date of transfer and gain arising on transfer is recognised in the profit or loss. Subsequent to initial measurement, such properties are valued at fair value in accordance with the measurement policy for investment properties. Any gain arising on this re-measurement is recognised in the consolidated statement of profit or loss on the specific property.

Transfer from investment properties to properties held for development and sale

When a property is transferred from investment property measured at fair value to properties held for development and sale, the transfer is accounted for at fair value. The fair value at the date of transfer is then deemed to be the property's cost. Any difference between the carrying amount of the property before transfer and its fair value on the date of transfer is recognised in the profit or loss in the same way as any other change in the fair value of investment property.

3 Significant accounting policies (continued)

3.7 Investment properties (continued)

Transfer from investment properties to owner-occupied property

If an investment property becomes owner-occupied property, it is reclassified to property, plant and equipment. The fair value at the date of reclassification becomes the cost for subsequent accounting purposes.

Sale of investment properties

Certain investment properties are sold in the ordinary course of business. No revenue and direct costs are recognized for sale of investment properties. Any gain or loss on disposal of sale of investment properties (calculated as the difference between the net proceeds from disposal and carrying amount) is recognised in the consolidated statement of profit or loss.

3.8 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 land, 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 get the assets ready for the intended use are in progress. Net realisable value represents the estimated selling price of the asset in the present condition less costs to be incurred in selling the property.

Borrowing costs that are directly attributable to the construction are included in the cost of that asset.

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

3.9 Inventories

Raw materials and spare parts

Raw materials and spare parts are stated at the lower of cost and net realisable value. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing them to their present location and condition. Cost is calculated using the weighted average method. Net realisable value represents the estimated selling price less all estimated costs to completion and costs to be incurred in marketing, selling and distribution.

Finished and semi-finished goods

Finished and semi-finished goods are stated at lower of cost (comprising direct labour, material cost, direct expenses and an appropriate allocation of production overheads) and the net realisable value, which is arrived at after providing for anticipated losses, if any, when the possibility of loss is ascertained.

3 Significant accounting policies (continued)

3.10 Goodwill

Goodwill acquired in a business combination is initially measured at cost being the excess of the cost of the business combination over the Company's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities. Following the initial recognition, goodwill is measured at cost less any accumulated impairment losses. Goodwill is reviewed for impairment, annually or more frequently if events or changes in circumstances indicate that its carrying value may be impaired.

3.11 Provisions

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

Where the Group expects some or all of a provision to be reimbursed, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain and is in respect of a provision recognised during the year. The expense relating to any provision is presented in the profit or loss net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. The unwinding of the discount is recognised as finance cost.

Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of resources embodying economic benefits will be required to settle the obligation, the provision is reversed.

3.12 Employee benefits

Defined contribution plan

The Group is a member of the pension scheme operated by the Federal Pension General and Social Security Authority which is a defined contribution plan. Contributions for eligible UAE National employees are calculated as a percentage of the employees' salaries and charged to the consolidated statement of profit or loss, in accordance with the provisions of Federal Law No. 7 of 1999 relating to Pension and Social Security Law. The Group's contribution, calculated as a percentage of the employees' salaries, is recognised as an expense in the consolidated profit or loss as incurred. The Group has no legal or constructive obligation to pay any further contributions.

Annual leave and leave passage

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

Provision for employees' end of service benefits to non-UAE nationals

The provision for end of service benefits is based on the liability that would arise if the employment of all staff were terminated at the reporting date and is calculated in accordance with the provisions of UAE Federal Labour Law and the relevant local laws applicable to overseas subsidiaries. Management considers these as long-term obligations and accordingly they are classified as long-term liabilities.

The accrual relating to annual leave and leave passage is disclosed as a current liability, while the provision relating to end of service benefit is disclosed as a non-current liability.

3 Significant accounting policies (continued)

3.13 Finance income

Interest income is accrued on a time proportion basis, by reference to the principal outstanding and at the interest rate applicable

3.14 Finance costs

Finance costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised in profit or loss using the effective interest method.

3.15 Financial assets and liabilities

Non-derivative financial instruments comprise of investments in securities, reinsurance contract assets, insurance contract liabilities, trade and other receivables and payables, due from/to related parties and cash and bank balances.

Non derivative financial assets

Recognition

The Group initially recognises loans and advances and deposits on the date at which they are originated. All other financial assets and liabilities (including assets and liabilities designated at fair value through profit or loss) are initially recognised on the trade date at which the Group becomes party to the contractual provision of the instrument.

All financial assets or financial liability are initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition or issue.

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value.

Classification of financial assets

At inception a financial asset is classified as measured at amortised cost or fair value.

Financial assets measured at amortised cost

A financial asset qualifies for amortised cost measurement only if it meets both of the following two conditions:

- The asset is held within a business model whose objectives is to hold assets in order to collect contractual cash flows; and
- The contractual terms of the financial asset give rise, on specified dates, to cash flows that are solely payments of principal and interest.

If a financial asset does not meet both of these conditions, then it is measured at fair value.

The Group makes an assessment of a business model at portfolio level as this reflect the best way the business is managed and information is provided to the management.

3 Significant accounting policies (continued)

3.15 Financial assets and liabilities (continued)

Financial assets measured at amortised cost (continued)

In making an assessment of whether an asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows, the Group considers:

- management's stated policies and objectives for the portfolio and the operation of those policies in practice;
- how management evaluates the performance of the portfolio;
- whether management's strategy focus on earning contractual interest revenue;
- the degree of frequency of any expected asset sales;
- the reason of any asset sales; and
- whether assets that are sold are held for an extended period of time relative to their contractual maturity or are sold shortly after acquisition or an extended time before maturity.

Financial assets measured at FVTPL

Financial assets measured at FVTPL are not held within a business model whose objective is to hold the asset in order to collect contractual cash flows.

The Group has designated certain financial assets at fair value through profit or loss because designation eliminates or significantly reduces an accounting mismatch, which would otherwise arise.

Financial assets measured at FVOCI

At initial recognition the Group can make an irrevocable election (on an instrument-by-instrument basis) to designate investments in certain equity instruments as at FVOCI (fair value through other comprehensive income). Designation to FVOCI is not permitted if the equity instrument is held for trading.

Dividend in these investments in equity instruments are recognised in the consolidated profit or loss when the Group's right to receive the dividends is established, unless the dividends clearly represents a recovery of part of the cost of the investment.

Gains and losses on such equity instruments are never reclassified to income statement and no impairment is recognised in consolidated profit or loss.

Financial assets are not reclassified subsequent to their initial recognition, except when the Group changes its business model for managing financial assets.

Loans and receivables

These assets are initially recognised at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, these are measured at amortised cost using the effective interest method.

Loans and receivables comprise mainly trade and other receivables, deposits and other receivables.

3 Significant accounting policies (continued)

3.15 Financial assets and liabilities (continued)

Cash and cash equivalents

For the purposes of the cash flow statement, cash and cash equivalents comprise cash in hand, balances with the banks and fixed deposits with original maturities of three months or less from the acquisition date that are subject to insignificant risk of changes in their fair value, and are used by the Group in the management of short-term commitments.

Cash and cash equivalents are carried at amortised cost in the statement of financial position.

Derivative financial assets

The Group holds derivative financial instruments to hedge its FVTPL investment. Embedded derivatives are separated from the host contract and accounted for separately if certain criteria are met.

Equity securities

Ordinary shares of the Group are classified as equity. Incremental costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity.

Non derivative financial liabilities

All financial liabilities (including liabilities designated at fair value through consolidated statement of other comprehensive income) are recognised initially on the trade date, which is the date that the Group becomes a party to the contractual provisions of the instrument.

De-recognition of financial assets and financial liabilities

The Group derecognises a financial asset when the contractual right to the cash flows from the financial asset expire, or when it transfers the financial asset in a transaction in which substantially all the risk and rewards of the ownership are transferred or in which the Group neither transfers nor retains substantially all the risks and rewards of ownership and it does not retain control over the transferred asset. Any interest in transferred financial assets that qualify for derecognition that is carried or retained by the Group is recognised as separate asset or liability in the consolidated statement of financial position. On derecognition of financial asset, the difference between the carrying amount of the asset (or the carrying amount allocated to the portion of the asset transferred), and consideration received (including any new asset obtained less any new liability assumed) is recognised in consolidated statement of profit or loss.

The Group enters into transactions whereby it transfers assets recognised on its consolidated statement of financial position, but retains either all or substantially all of the risks and rewards of the financial assets or a portion of them. If all or substantially all risks and rewards are retained, then the transferred assets are not derecognised. Transfer of assets with retention of all or substantially all risks and rewards include, securities lending and repurchase transactions.

In transactions in which the Group neither retains nor transfers substantially all the risks and rewards of ownership of a financial asset and it retains control over the asset, the Group continues to recognise the asset to the extent of its continuing involvement, determined by the extent to which it is exposed to changes in the value of the transferred asset.

3 Significant accounting policies (continued)

3.15 Financial assets and liabilities (continued)

De-recognition of financial assets and financial liabilities (continued)

In certain transactions the Group retains the obligation to service the transferred financial asset for a fee. The transferred asset is derecognised if it meets the derecognition criteria. An asset or liability is recognised for the servicing contract, depending on whether the servicing fee is more than adequate (asset) or is less than adequate (liability) for performing the services.

The Group derecognises a financial liability when its contractual obligation are discharged or cancelled or expire.

Recognition of financial instruments

Investments are recognised on the trade date which is the date on which the Group commits to purchase or sell the securities. Loans and receivables are recognised on the basis of underwriting activities.

Financial liabilities are recognised on the date when the Group becomes a party to the contractual provisions of the instrument. \

3.16 Insurance contracts

Classification

The Group issues contracts that transfer either insurance risk or both insurance and financial risks.

Contracts under which the Group accepts significant insurance risk from another party (the policyholder) by agreeing to compensate the policyholder if a specified uncertain future event (the insured event) adversely affects the policyholder are classified as insurance contracts. Insurance risk is significant if an insured event could cause the Group to pay significant additional benefits due to happening of the insured event compared to its non-happening.

Insurance contracts may also transfer some financial risk. Financial risk is the risk of a possible future change in one or more of a specified interest rate, security price, commodity price, foreign exchange rate, index of prices or rates, credit rating or credit index or other variable, provided in the case of a non-financial variable that the variable is not specific to a party to the contract.

Contracts where insurance risk is not significant are classified as investment contracts.

Once a contract is classified as an insurance contract it remains classified as an insurance contract until all rights and obligations are extinguished or expired.

3 Significant accounting policies (continued)

3.16 Insurance contracts (continued)

Recognition and measurement

Premiums

Gross premiums written reflect business incepted during the year, and exclude any fees and other amounts collected with and calculated based on premiums. These are recognised when underwriting process is complete and policies are issued.

The earned proportion of premiums is recognised as income. Premiums are earned from the date of attachment of risk over the indemnity period and unearned premium is calculated using the basis described below:

Unearned premium provision

The unearned premium considered in the insurance contract liabilities comprise the estimated proportion of the gross premiums written which relates to the periods of insurance subsequent to the statement of financial position date. UPR are calculated using the 1/365 method except for marine cargo and general accident. The UPR for marine cargo is recognised as fixed proportion of the written premiums as required in the financial regulation and UPR for general accident assumes a linear increase in risk with the duration of the project such that the risk faced is 100% at the expiry of the contract. The rate at which the premium is earned is deemed to increase at the same rate at which the risk faced increases over the lifetime of the policy.

Claims

Claims incurred comprise the settlement and the internal and external handling costs paid and changes in the provisions for outstanding claims arising from events occurring during the financial period. Where applicable, deductions are made for salvage and their recoveries.

Claims outstanding comprise provisions for the Group's estimate of the ultimate cost of settling all claims incurred but unpaid at the reporting date whether reported or not, and related internal and external claims handling expense reduced by expected salvage and other recoveries. Claims outstanding are assessed by reviewing individual reported claims. Provisions for claims outstanding are not discounted. Adjustments to claims provisions established in prior periods are reflected in the financial statements of the period in which the adjustments are made. The methods used, and the estimates made, are reviewed regularly. Provision is also made for any claims incurred but not reported ("IBNR") at the date of statement of financial position on the basis of management estimates. The basis of estimating outstanding claims and IBNR are detailed in note 13b.

3 Significant accounting policies (continued)

3.16 Insurance contracts (continued)

Provision for premium deficiency/ liability adequacy test

Provision is made for premium deficiency arising from general insurance contracts where the expected value of claims and expenses attributable to the unexpired periods of policies in force at the reporting date exceeds the unearned premiums provision and already recorded claim liabilities in relation to such policies. The provision for premium deficiency is calculated by reference to classes of business which are managed together, after taking into account the future investment return on investments held to back the unearned premiums and claims provisions.

Reinsurance

The Group cedes reinsurance in the normal course of business for the purpose of limiting its net loss potential through the diversification of its risks. Assets, liabilities and income and expense arising from ceded reinsurance contracts are presented separately from the assets, liabilities, income and expense from the related insurance contracts because the reinsurance arrangements do not relieve the Group from its direct obligations to its policyholders.

Amounts due to and from reinsurers are accounted for in a manner consistent with the related insurance policies and in accordance with the relevant reinsurance contracts. Reinsurance premiums are deferred and expensed using the same basis as used to calculate unearned premium reserves for related insurance policies. The deferred portion of ceded reinsurance premiums is included in reinsurance assets.

Reinsurance assets are assessed for impairment at each reporting date. A reinsurance asset is deemed impaired if there is objective evidence, as a result of an event that occurred after its initial recognition, that the Group may not recover all amounts due, and that event has a reliably measurable impact on the amounts that the Group will receive from the reinsurer. Impairment losses on reinsurance assets are recognised in statement of income in the period in which they are incurred.

Profit commission in respect of reinsurance contracts is recognised on an accrual basis.

Deferred acquisition cost

For general insurance contracts, the deferred acquisition cost asset represents the portion of acquisition costs which corresponds to the proportion of gross premiums written that is unearned at the reporting date. Commission income related to underwriting activities are recognised on a time proportion basis over the effective period of policy using the same basis as described for unexpired risk premium.

Insurance receivables and payables

Amounts due from and to policyholders, agents and reinsurers are financial instruments and are included in insurance receivables and payables, and not in insurance contract provisions or reinsurance assets.

3 Significant accounting policies (continued)

3.16 Insurance contracts (continued)

Insurance contract provision and reinsurance assets

Insurance contract liabilities towards outstanding claims are made for all claims intimated to the Group and still unpaid at the consolidated statement of financial position date, in addition for claims incurred but not reported. The unearned premium considered in the insurance contract liabilities comprise the estimated proportion of the gross premiums written which relates to the periods of insurance subsequent to the consolidated statement of financial position date.

The reinsurers' portion towards the above outstanding claims, claims incurred but not reported and unearned premium is classified as reinsurance contract assets in the consolidated financial statements.

3.17 Impairment

Financial assets

A financial asset is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

Objective evidence that financial assets are impaired can include default or delinquency by a debtor, restructuring of an amount due to the Company on terms that the Company would not consider otherwise, indications that a debtor or issuer will enter bankruptcy and the disappearance of an active market for a security.

The Company considers evidence of impairment for financial assets at both a specific asset and collective level. All individually significant financial assets are assessed for specific impairment. All individually significant financial assets found not to be specifically impaired are then collectively assessed for any impairment that has been incurred but not yet identified. Financial assets that are not individually significant are collectively assessed for impairment by grouping together with similar risk characteristics.

In assessing collective impairment, the Company uses historical trends of the probability of default, timing of recoveries and the amount of loss incurred, adjusted for management's judgement as to whether current economic and credit conditions are such that the actual losses are likely to be greater or less than suggested by historical trends.

An impairment loss is calculated as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. Losses are recognised in profit or loss and reflected in an allowance account. When the Company considers that there are no realistic prospects of recovery of the asset, the relevant amounts are written off. If the amount of impairment loss subsequently decreases and the decrease can be related objectively to an event occurring after the impairment loss was recognized, then the previously recognized impairment loss is reversed through profit or loss.

3 Significant accounting policies (continued)

3.17 Impairment (continued)

Non-financial assets

The carrying amounts of the Company's non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists then the asset's recoverable amount is estimated. An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. Impairment losses are recognised in profit or loss.

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

The recoverable amount of an asset or its 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 time value of money and risks specific to the asset. For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit").

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 that would have been determined, net of depreciation or amortization, if no impairment loss had been recognised.

An impairment loss in respect of goodwill is not reversed. For other assets, an impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

3.18 Fair value measurement principle

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal or, in its absence, the most advantageous market to which the Group has access at that date. The fair value of a liability reflects its non-performance risk.

When available, the Group measures the fair value of an instrument using the quoted prices in an active market for that instrument. A market is regarded as active if quoted prices are readily and regularly available and represent actual and regularly occurring market transactions on an arm's length basis.

If there is no quoted price in an active market, then the Group uses valuation techniques that maximize the use of relevant observable inputs and minimize the use of unobservable inputs. The chosen valuation technique incorporates all of the factors that market participants would take into account in pricing a transaction.

3 Significant accounting policies (continued)

3.18 Fair value measurement principle (continued)

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

If an asset or a liability measured at fair value has a bid price and an ask price, then the Group measures assets and long positions at a bid price and liabilities and short positions at an ask price.

Portfolios of financial assets and financial liabilities that are exposed to market risk and credit risk that are managed by the Group on the basis of the net exposure to either market or credit risk are measured on the basis of a price that would be received to sell a net long position (or paid to transfer a net short position) for a particular risk exposure. Those portfolio-level adjustments are allocated to the individual assets and liabilities on the basis of the relative risk adjustment of each of the individual instruments in the portfolio.

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

3.19 Discontinued operation

A discontinued operation is a component of the Group's business, the operations and cash flows of which can be clearly distinguished from the rest of the Group and which:

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

Classification as a discontinued operation occurs at the earlier of disposal or when the operation meets the criteria to be classified as held-for-sale.

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

4 Financial risk management objectives

The Group's activities expose it to a variety of financial risks: market risk (including currency risk, equity price risk and cash flow and interest rate risk), credit risk and liquidity risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance.

Market risk

Market risk is the risk that changes in market prices – such as foreign exchange rates, interest rates and equity prices – will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.There has been no change to the Group's exposure to market risks or the manner in which it manages and measures the risk.

Currency risk

Foreign exchange risk arises from future commercial transactions, recognised assets and liabilities and net investments in foreign operations.

The Group does not have any significant exposure to foreign currency risk since the majority of transactions are denominated in AED.

Equity price risk

The Group is exposed to equity securities price risk through investments held by the Group and classified as fair value through profit or loss and fair value through other comprehensive income.

Interest rate risk

Interest rate risk is the risk that the value of a financial instrument will fluctuate because of changes in market interest rates. The Group has a bank deposits, loans and borrowings which carries normal commercial interest rates.

Credit risk

The Group's principal financial assets are banks' current and deposit accounts, trade and other receivables and due from related parties.

The Group's credit risk is primarily attributable to its trade receivables. The amounts presented in the statement of financial position are net of allowances for impairment on receivables. An allowance for impairment is made where there is an identified loss event which, based on previous experience, is evidence of a reduction in the recoverability of the cash flows.

The Group's exposure to credit risk is influenced mainly by individual characteristics of the customers; however, the Group is collecting advances from customers on periodical basis and the handover of properties to the customers will take place only after final settlement of all dues by them.

Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. Ultimate responsibility for liquidity risk management rests with the Board of Directors, who have built an appropriate liquidity risk management framework for the management of the Group's short, medium and long-term funding and liquidity management requirements. The Group manages liquidity risk by maintaining adequate reserves, by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities. The Board of Directors prioritise the payment of bank borrowings as per restructuring agreement disclosed in note 19.

4 Financial risk management objectives (continued)

Capital risk management

The Group manages its capital to ensure that the Group will be able to continue as a going concern while maximising the return to shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. The Group's overall strategy remains unchanged from 2014.

The capital structure of the Group consists of bank borrowings, finance lease liabilities, cash and cash equivalents and equity; comprising share capital, reserves (other than land revaluation and cumulative change in fair value) and accumulated losses. Except for complying with certain provisions of the UAE Federal Law No. (2) of 2015, the Group is not subject to any other externally imposed capital requirements.

Gearing ratio

The Group reviews the capital structure on a regular basis. As part of this review, the Group considers the cost of capital and the risks associated with capital.

The gearing ratio at the year-end was as follows:

	2015 **AED '000**	2014 AED '000
Debt	**2,671,477**	2,832,061
Cash and cash equivalents (refer to note 14)	**(123,226)**	(74,940)
Net debt	**2,548,251**	2,757,121
Equity	**1,266,988**	1,277,509
Net debt to equity ratio (times)	**2.01**	2.16

Asset liability management ("ALM")

Financial risks arise from open positions in interest rate, currency and equity products, all of which are exposed to general and specific market movements. The main risk that the Group faces due to the nature of its investments and liabilities is interest rate risk and equity price risk. The Group manages these positions within an ALM framework that has been developed by management to achieve long-term investment returns in excess of its obligations under insurance and investment contracts.

The Group's ALM is also integrated with the management of the financial risks associated with the Company's other financial assets and liabilities not directly associated with insurance and investment liabilities.

The Group's ALM also forms an integral part of the insurance risk management policy, to ensure in each period sufficient cash flow is available to meet liabilities arising from insurance.

4 Financial risk management objectives (continued)

Insurance risks

The Group accepts insurance risk through its written insurance contracts. The Group is exposed to uncertainty surrounding the timing, frequency and severity of claims under these contracts.

The Group writes the following types of general insurance and life insurance contracts:

General insurance contracts

- Accident insurance
- Property insurance
- Motor insurance
- Fire insurance
- Casualty insurance
- Medical insurance
- Marine insurance
- Engineering insurance

Life insurance contracts

- Group life insurance
- Credit life insurance

The principal risk the Group faces under insurance contracts is that the actual claims and benefit payments or the timing thereof, differ from expectations. This is influenced by the frequency of claims, severity of claims, actual benefits paid and subsequent development of long-term claims. Therefore, the objective of the Group is to ensure that sufficient reserves are available to cover these liabilities.

The above risk exposure is mitigated by diversification across a large portfolio of insurance contracts. The variability of risks is also improved by careful selection and implementation of underwriting strategy guidelines, as well as the use of reinsurance arrangements. The Group only issue short term insurance contracts in connection with property, motor, marine and casualty risks.

Notes *(continued)*

5 Property, plant and equipment

	Land AED '000	Buildings, sheds and prefab houses AED '000	Plant and equipment AED '000	Motor vehicles, ships and trucks AED '000	Furniture and fixtures AED '000	Storage tanks AED '000	Other assets AED '000	Capital work-in-progress AED '000	Total AED '000
Cost									
At 1 January 2014	172,182	445,861	110,025	82,418	53,960	61,222	19,012	30,256	974,936
Additions during the year	-	7,681	4,709	2,514	4,510	364	6,971	7,642	34,391
Disposals	(720)	(94)	(706)	(2,018)	(2,728)	(203)	(1,263)	-	(7,732)
Transfer to investment property (refer to note 6)	(14,846)	(276,534)	-	-	-	-	-	-	(291,380)
At 31 December 2014	156,616	176,914	114,028	82,914	55,742	61,383	24,720	37,898	710,215
At 1 January 2015	156,616	176,914	114,028	82,914	55,742	61,383	24,720	37,898	710,215
Additions during the year	1,039	7,248	33,161	13,312	7,213	3,588	11,938	3,382	80,881
Disposals	-	(97)	(155)	(7,806)	(4,671)	(15,081)	-	-	(27,810)
Transfer from capital work-in-progress	-	200	-	-	-	-	-	(200)	-
Disposal of a subsidiary (refer to note 24)	-	(20,124)	(33,166)	(1,059)	(996)	(4,468)	(1,941)	(25,173)	(86,927)
At 31 December 2015	157,655	164,141	113,868	87,361	57,288	45,422	34,717	15,907	676,359

5 Property, plant and equipment (continued)

	Land AED '000	Buildings, sheds and prefab houses AED '000	Plant and equipment AED '000	Motor vehicles, ships and trucks AED '000	Furniture and fixtures AED '000	Storage tanks AED '000	Other assets AED '000	Capital work-in-progress AED '000	Total AED '000
Depreciation									
At 1 January 2014	-	91,709	61,273	59,654	38,339	15,820	10,190	-	276,985
Charge for the year	-	14,739	7,641	6,932	5,738	3,341	1,779	-	40,170
On disposals	-	(264)	(484)	(1,784)	(976)	(51)	(1,243)	-	(4,802)
Transfer to investment property (refer to note 6)	-	(52,710)	-	-	-	-	-	-	(52,710)
At 31 December 2014	-	53,474	68,430	64,802	43,101	19,110	10,726	-	259,643
At 1 January 2015	-	53,474	68,430	64,802	43,101	19,110	10,726	-	259,643
Charge for the year	-	1,119	15,997	5,344	1,086	2,131	4,250		29,927
On disposals	-	(67)	(75)	(6,999)	(2,541)	(6,481)	-	-	(16,163)
Disposal of a subsidiary (refer to note 24)	-	(9,903)	(27,103)	(958)	(982)	(1,434)	(1,807)	-	(42,187)
At 31 December 2015	-	44,623	57,249	62,189	40,664	13,326	13,169	-	231,220
Net book value									
At 31 December 2015	157,655	119,518	56,619	25,172	16,624	32,096	21,548	15,907	445,139
At 31 December 2014	156,616	123,440	45,598	18,112	12,641	42,273	13,994	37,898	450,572

5 Property, plant and equipment (continued)

Capital work-in-progress mainly comprises of expenditure incurred on the expansion of a factory.

Land represents plots of land in the Emirates of Sharjah and Dubai used by the Group.

In the opinion of the Company's management, based on their internal estimate, fair value of land as at the reporting date approximates its carrying value taking into consideration current market conditions.

Certain plots of land, buildings and plant and machinery with carrying amount of AED 111.09 million *(2014: AED 105.24 million)* are mortgaged to local bank against credit facilities granted to the Group. Refer to note 19.

6 Investment properties

	2015 AED '000	2014 AED '000
At 1 January	2,255,341	2,280,852
Additions during the year	120,026	8,878
Transfer to properties held for development and sale on change in use (refer to note 10)	(1,394)	(385,126)
Change in fair value	62,330	129,067
Transfer from property, plant and equipment (refer to note 5)	-	238,670
Transfer to investment in associate (refer to note 8)	-	(17,000)
At 31 December	**2,436,303**	2,255,341

During the current year, buildings and plots of land amounting to AED 1.39 million *(2014: AED 385.13 million)* have been transferred from investment properties to properties held for development and sale pursuant to change in their intended use (also refer to note 10). In the opinion of the management, there is no significant change in fair value of transferred investment properties on the date of transfer as compared to the carrying value.

The fair value of investment properties has been determined by external, qualified and independent Chartered Surveyors and Property Consultants who have recent experience in the locations and categories of the investment properties valued. The valuation has been conducted in accordance with the Royal Institution of Chartered Surveyors (RICS) Valuation – Professional Standards (January 2014 Edition) and the International Valuation Standards Council (IVSC) International Valuations Standards (2013 Edition).

The fair value of the certain properties amounting to AED 807.94 million *(2014: AED 686.60 million)* has been determined by 'Income Capitalisation' method. This process involves deducting running costs from the Gross Rental Income of the property in order to achieve the net rental income. The net rent is then capitalised at a yield to reflect the risks involved with the current and future cash flows.

6 Investment properties (continued)

The significant assumptions applied in determining the fair value of investment properties are given below:

	2015 AED'00	2014 AED'000
Gross operating income	**55,505**	59,500
Annual net rental income	**36,727**	42,008
Risk adjusted capitalisation rate	**5% - 6%**	5% - 6%

A significant change in the estimated rental income in isolation would result in significant movement in fair value measurement. Similarly, significant movement in the risk adjusted capitalisation rate in isolation would result in significant movement in fair value measurement.

The fair value measurement of these properties has been categorised as a Level 3 fair value based on the inputs of valuation technique used.

The fair value of the certain properties amounting to AED 688.58 million (*2014: AED 923.40 million*) has been determined by 'Sales Comparison' method which is carried out on the basis of recent market transactions for similar properties in the same location. These values are adjusted for differences in key attributes such as property size, location, rezoning permits etc.

The fair value measurement of these properties has been categorised as a Level 3 fair value based on the inputs of valuation technique used

The fair value of a certain property amounting to AED 939.78 million (*2014: AED 645 million*) has been determined by taking into account the Gross Development Value when completed and deducting all the costs including construction costs, soft costs, developer's profit and finance costs thus deriving the land value. Further adjustments are applied in terms of the various characteristics of the property.

The fair value measurement of this property has been categorised as a Level 3 fair value based on the inputs of valuation technique used.

Based on the above valuations, the Company has recognised a gain on fair valuation of AED 62.33 million (*2014: AED 129.06 million*) on investment properties.

Investment properties amounting to AED 669.17 million (*2014: AED 551.03 million*) are registered in the name of related parties in trust and for the benefit of the Group. Investment properties amounting to AED 1,911.70 million (*2014: AED 1,573.91 million)* are mortgaged to banks towards credit facilities granted to the Group (refer to note 19).

7 Goodwill

	2015 AED '000	2014 AED '000
Cost		
At 31 December	**11,500**	12,000
Impairment loss		
Recognised during the year	-	500
At 31 December	-	500
Carrying value		
At 31 December	**11,500**	11,500

An impairment test for goodwill has been carried out based on the "value in use" calculation. The calculation uses cash flow projections over a period based on estimated operating results of the entities CGUs. The projected cash flows have been discounted using a discount rate that reflects industry specific risk. The Company's Directors based on the review of the impairment test for goodwill of these entities have booked impairment provision of AED Nil *(2014: AED 0.50 million)*.

8 Investments in associates and joint ventures

	2015 AED '000	2014 AED '000
At 1 January	**301,511**	103,791
Additions during the year (refer to notes (ii) below)	-	81,441
Disposal during the year (refer to note (i) below)	**(58,205)**	(1,087)
Investments reclassified from available for sale/ held for trading investments (refer to note (iii) below)	-	111,099
Share of (loss)/ profit for the year	**(1,444)**	14,246
Share of other comprehensive income for the year	**(3,273)**	(7,979)
At 31 December	**238,589**	301,511

(i) During the current year, the Group has sold 15.54% of its investment in an associate to a related party at an agreed price (refer to note 12).

(ii) During the previous year, the Company had purchased additional investment of AED 48.1 million in an associate company from a third party for which the consideration was paid by the associate company on behalf of the Company (refer to note 12).

(iii) During the previous year, the Board of Directors of the Company had reassessed the Group's investment portfolio and were of the view that as at 30 June 2014, it had significant influence over Union Insurance PSC ("Union Insurance"). Accordingly, at 30 June 2014, the Group reclassified its investment in Union Insurance as an investment in associate. Accordingly, an amount of AED 83.5 million pertaining to cumulative change in fair value of available-for-sale investments has been reclassified to accumulated losses as required by IAS 28: "*Investments in Associates*".

8 Investments in associates and joint ventures (continued)

(iv) The details of these associates and joint ventures are as follows:

Name of the associates and joint ventures	Place of incorporation	Ownership (%) 2015	Ownership (%) 2014
Union Insurance PSC (refer to notes (i), (ii) and (iii) above)	UAE	**28.36**	43.90
GGICO Orion LLC	UAE	**50.00**	50.00
Arab Real Estate Development P.S.C. (Arab Corp)	Jordan	**30.81**	30.81
Ghadeh General Trading & Contracting Co. L.L.C. (Khalid Mustafa Karam Sons & Partners)	Kuwait	**38.00**	38.00
Carbon Energy Inc.	Panama	**50.00**	50.00
Edwinton Commercial Corp.	Panama	**50.00**	50.00
Awtad Co. PJSC	U.A.E.	**25.00**	25.00
Horizon Metallic Industries L.L.C.	U.A.E.	**50.00**	50.00

Investment in associates and joint ventures includes payments made against the share capital of the companies under formation.

Summarised financial information in respect of material associates and joint ventures are set out in note 34 to these consolidated financial statements.

Investments in associates and joint ventures amounting to AED 45.95 million *(2014: AED 66.86)* are mortgaged to banks towards credit facilities granted to the Group (refer to note 19).

9 Investments in securities

	2015 AED'000	2014 AED'000
Investments measured at fair value through other comprehensive income ("FVOCI")		
Opening balance	**79,532**	-
Reclassified from available-for-sale investments	**-**	183,880
Additions during the year	**565**	18,286
Disposal during the year	**(801)**	(57,674)
Change in fair value	**1,211**	(1,180)
Reclassified to investment in associates and joint ventures (refer to note 8)	**-**	(63,780)
At 31 December	**80,507**	79,532

9 Investments in securities (continued)

	2015 AED '000	2014 AED '000
Held-to-maturity investments		
At 1 January	-	6,698
Reclassified to investments measured at fair value through profit or loss	-	(6,698)
At 31 December	-	-
Investments measured at fair value through profit or loss ("FVTPL")		
Opening balance	**359,190**	-
Reclassified from held to maturity investments	-	6,698
Reclassified from held for trading investments	-	386,865
Additions during the year	-	88,508
Disposal during the year	**(39,036)**	(113,182)
Change in fair value	**(20,829)**	37,620
Reclassified to investment in in associates and joint ventures (refer to note 8)	-	(47,319)
At 31 December	**299,325**	359,190
Available-for-sale investments		
At 1 January	-	183,880
Reclassified to investments measured at fair value through other comprehensive income	-	(183,880)
At 31 December	-	-
Held for trading investments		
At 1 January	-	386,865
Reclassified to investments measured at fair value through profit or loss	-	(386,865)
At 31 December	-	-

9 Investments in securities (continued)

	2015 AED '000	2014 AED '000
Geographical distributions of investments:		
In UAE	**189,935**	250,703
In other countries	**189,897**	188,019
	379,832	438,722

Presented in statement of financial position as:

	2015 AED '000	2014 AED'000
Current portion	**299,325**	359,190
Non-current portion	**80,507**	79,532
	379,832	438,722

Investments in financial assets at FVTPL includes investment in a fund with a related party amounting to AED 3.3 million (*2014: AED 3.3 million*).

Investments measured at FVTPL and investments measured at FVOCI include investments of AED 69.04 million (*2014: AED 79.52 million*) pledged to banks (refer to note 19). Investments of AED 3 million (*2014: AED 4.93 million*) are registered in the name of related parties in trust and for the benefit of the Group.

During the previous year, the Group had entered into an arrangement with a third party to sell its entire holdings in one of its overseas listed investments classified as FVTPL ("Put option"). During the current year, the option has expired and has not been exercised, consequently management has valued the fair value of option at Nil and a marked to market loss has been recognised through the profit or loss.

10 Properties held for development and sale

	2015 AED '000	2014 AED '000
At 1 January	**607,878**	409,982
Transferred from investment properties (refer to note 6)	**1,394**	385,126
Additions during the year	**99,492**	146,348
Disposal during the year	**(128,202)**	(328,578)
Write down to net realisable value	**-**	(5,000)
At 31 December	**580,562**	607,878

10 Properties held for development and sale (continued)

Properties held for development and sale include projects with carrying amount of AED 253.52 million (*2014: AED 241.9 million*) which are temporarily on hold, however, management is in the process of devising a plan to recommence work on these projects. Based on review of these projects and after considering circumstances and facts of each of these projects, the Directors of the Company are of the view that costs incurred until the reporting date are fully recoverable and the work performed is not expected to be re-performed upon recommencement of construction or during completion of these projects.

Management's assessment of the net realisable value of the properties held for development and sale mainly on the basis of independent fair valuation has resulted in a write down amounting to AED Nil in the current year (*2014: AED 5 million*).

Properties held for development and sale amounting to AED 469.32 million (*2014: AED 480.96 million*) are mortgaged to banks towards credit facilities granted to the Group (refer to note 19).

11 Inventories

	2015 AED '000	2014 AED '000
Raw materials	**35,904**	65,913
Work-in-progress	**5,477**	9,270
Finished products	**31,938**	32,885
	73,319	108,068
Allowance for slow moving inventories	**(14,575)**	(15,456)
	58,744	92,612
Stores and spares	**1,937**	1,626
	60,681	94,238

Movement in the allowance for slow moving inventories is as follows:

	2015	2014
At 1 January	**15,456**	9,171
Allowance made during the year	**1,124**	6,285
Allowance written off during the year	**(2,005)**	-
At 31 December	**14,575**	15,456

Certain inventories along with the assignment of insurance policies against those inventories are hypothecated to banks against credit facilities granted to the Group (refer to note 19).

12 Related party transactions and balances

The Group in the ordinary course of business, enters into transaction with other business enterprises that fall within the definition of a related party as contained in International Accounting Standard 24. Pricing policies and terms of transactions with related parties are mutually agreed.

Significant transactions carried out with related parties during the period, other than those disclosed elsewhere in the consolidated financial statements are as follows:

	2015 AED '000	2014 AED '000
Sale of investment in an associate	**57,437**	-
Sale of goods and services	**594**	3,024
Sale of properties held for development and sale	**7,061**	56,600
Purchase of services	**1,110**	-
Partial sale of investment in subsidiary	**7,153**	-
Commission paid on rented properties	**810**	-
Purchases of services	**-**	1,933
Purchase of property, plant and equipment	**127**	6,363
Disposal of a subsidiary to a related party at book value	**-**	5,782
Compensation to key management personnel:		
Salaries and benefits	**9,481**	9,461
Due from related parties		
Associates and joint ventures	**4,850**	12,123
Other related parties	**84,769**	177,503
	89,619	189,626
Due to related parties		
Associates and joint ventures	**97,020**	86,744
Other related parties	**305,161**	360,588
	402,181	447,332

The amounts outstanding are unsecured and will be settled in cash. The above balance is net of impairment allowance of AED 9.64 million (*2014: AED 9.64 million*).

Certain related party balances carry interest at agreed rates. Also refer to note 26.

13a Trade and other receivables

	2015 AED '000	2014 AED '000
Trade receivables	**603,582**	655,068
Allowance for impairment	**(118,645)**	(115,463)
	484,937	539,605
Prepayment and other receivables (refer to note (i) below)	**416,228**	135,528
Notes receivable (refer to note (ii) below)	**433,779**	488,497
	1,334,944	1,163,630
Less: non-current portion	**(245,289)**	(352,343)
	1,089,655	811,287

(i) Other receivables includes AED 288 million receivable on account of disposal of a subsidiary during the year (refer to note 24).

(ii) Notes receivable comprise post-dated cheques received from the buyers of properties held for development and sale. Management has performed an impairment test on the future collectability of these notes receivable and accordingly has concluded that no impairment is required. The cheques are expected to be realised in the normal course of business.

(iii) Management has performed an impairment test on the trade and other receivables and has concluded that the allowance for impairment as at the reporting date is adequate.

13b Reinsurance contract assets and insurance contract liabilities

	31 December 2015 AED '000	31 December 2014 AED '000 *(Restated)*	1 January 2014 AED '000 *(Restated)*
Gross			
Reserve for outstanding claims	**243,882**	187,201	158,182
Reserve for incurred but not reported claims (IBNR)	**54,361**	71,869	41,033
Reserve for outstanding claims (including IBNR)	**298,243**	259,070	199,215
Unearned premium reserve	**181,529**	201,420	178,973
Total insurance contract liabilities (gross)	**479,772**	460,490	378,188
Less: Recoverable from reinsurers			
Reinsurer share of outstanding claims	**(158,259)**	(126,676)	(106,547)
Reinsurer share of incurred but not reported claims (IBNR)	**(24,618)**	(10,895)	(4,403)
Reinsurer share of outstanding claims (including IBNR)	**(182,877)**	(137,571)	(110,950)
Unamortised reinsurance premium reserve	**(43,910)**	(48,055)	(41,280)
Total re-insurance contract assets	**(226,787)**	(185,626)	(152,230)
Net insurance contract liabilities	**252,985**	274,864	225,958

Notes *(continued)*

13b Reinsurance contract assets and insurance contract liabilities (continued)

(i) Movement in outstanding claims and reinsurance contract assets:

	Gross AED '000	Reinsurance AED '000	Net AED '000
2015			
Total at the beginning of the year	**266,000**	**(144,504)**	**121,497**
Less: settled during the year	**(345,755)**	**83,489**	**(262,267)**
Add: provision made during the year	**384,930**	**(128,794)**	**256,136**
At 31 December 2015	**305,175**	**(189,809)**	**115,366**
2014 ***(as restated)***			
Total at the beginning of the year	206,148	(117,881)	88,268
Less: settled during the year	(265,024)	74,871	(190,152)
Add: provision made during the year	324,876	(101,495)	223,381
At 31 December 2014	266,000	(144,505)	121,497

(ii) Movement in unearned premium reserve:

	Gross AED '000	Reinsurance AED '000	Net AED '000
2015			
Total at the beginning of the year	**201,420**	**(48,055)**	**153,365**
Less: settled during the year	**181,529**	**(43,910)**	**137,619**
Add: provision made during the year	**(201,420)**	**48,055**	**(153,365)**
At 31 December 2015	**181,529**	**(43,910)**	**137,619**
2014 ***(as restated)***			
Total at the beginning of the year	178,973	(41,280)	137,693
Less: settled during the year	201,420	(48,055)	153,365
Add: provision made during the year	(178,973)	41,280	(137,693)
At 31 December 2014	201,420	(48,055)	153,365

13b Reinsurance contract assets and insurance contract liabilities (continued)

Assumptions and sensitivities

Process used to determine the assumptions

The process used to determine the assumptions for calculating the outstanding claim reserve is intended to result in neutral estimates of the most likely or expected outcome. The sources of data used as inputs for the assumptions are internal, using detailed studies that are carried out annually. The assumptions are checked to ensure that they are consistent with observable market practices or other published information.

The nature of the business makes it very difficult to predict with certainty the likely outcome of any particular claim and the ultimate cost of notified claims. Each notified claim is assessed on a separate, case by case basis with due regard to the claim circumstances, information available from loss adjusters and historical evidence of the size of similar claims. Case estimates are reviewed regularly and are updated as and when new information arises.

The provisions are based on information currently available. However, the ultimate liabilities may vary as a result of subsequent developments or if catastrophic events occur. The impact of many of the items affecting the ultimate costs of the loss is difficult to estimate.

The provision estimation difficulties also differ by class of business due to differences in the underlying insurance contract, claim complexity, the volume of claims and the individual severity of claims, determining the occurrence date of a claim, and reporting lags.

The method used by the Group for provision of IBNR takes into account historical data, past estimates and details of the reinsurance programme, to assess the expected size of reinsurance recoveries. Estimates are made for the expected ultimate cost of claims incurred but not yet reported at the reporting date (IBNR) using a range of standard actuarial claim projection techniques, based on empirical data and current assumptions that may include a margin for adverse deviation.

The assumptions that have the greatest effect on the measurement of insurance contract provisions are the expected loss ratios for the most recent accident years.

An analysis of sensitivity around various scenarios provides an indication of the adequacy of the Group's estimation process. The Group believes that the liability for claims reported in the statement of financial position is adequate. However, it recognises that the process of estimation is based upon certain variables and assumptions which could differ when claims are finally settled.

Summary of the Actuary's report on the Technical Provisions

Gross Reserves as at 31 December 2015

	Life insurance AED '000	General insurance AED '000	Total AED '000
Reserve for outstanding claims (including IBNR)	7,822	301,862	309,684
Unearned premium reserve	3,291	178,238	181,529
Total	11,113	480,100	491,213

13b Reinsurance contract assets and insurance contract liabilities (continued)

Summary of the Actuary's report on the Technical Provisions (continued)

Net Reserves as at 31 December 2015

	Life insurance AED '000	General insurance AED '000	Total AED '000
Reserve for outstanding claims (including IBNR)	591	114,775	115,366
Unearned premium reserve	147	137,472	137,619
Total	**738**	**252,247**	**252,985**

Actuarial estimation of the insurance liabilities has been performed by the independent actuary in accordance with the requirement of new financial regulations issued under Federal Law No.6 of 2007 pertaining to the insurance companies and agents. Estimates are made for the expected ultimate cost of claims incurred but not yet reported at the reporting date (IBNR) using a range of standard actuarial claim projection techniques, based on empirical data and current assumptions that may include a margin for adverse deviation. Liability has been calculated on current year numbers only. Therefore, comparative information has not been available.

14 Cash in hand and at bank

	2015 AED '000	2014 AED '000
Cash in hand	7,041	2,394
Bank balances:		
- Current accounts	66,691	58,442
- Deposit accounts	285,305	347,182
Cash in hand and at bank	359,037	408,018
Less: Fixed deposits under lien/ deposits with maturity over three months	(235,811)	(333,078)
Cash and cash equivalents	**123,226**	74,940

Deposits include fixed deposits of AED 253.3 million *(2014: AED 317 million)* held under lien (refer to note 19) against facilities granted to the Group and also include a deposit amounting to AED 10.3 million *(2014: AED 10.3 million)* deposited in the name of the Group to the order of the Ministry of Economy and Trade of the United Arab Emirates as required by the Federal Law No. (6) of 2007 relating to Insurance Authority.

15 Share capital

	2015 AED'000	2014 AED'000
Authorised, issued and paid up		
1,791 million shares of AED 1 each paid up in cash	**1,791,333**	1,791,333

16 Reserves

Legal reserve

In accordance with UAE Federal Commercial Companies Law No. (2) of 2015, the Company and its subsidiaries registered in UAE are required to establish a statutory reserve by appropriation of 10% of profit for each year until the reserve equals 50% of the paid up share capital. This reserve is not available for distribution except as stipulated by the Law.

Additional reserve

The Company's Articles of Association require that 10% of the annual profit be appropriated to an additional reserve until a decision by the Ordinary General Assembly Meeting on the strength of proposal by the Board of Directors or if such reserve equals 50% of paid-up share capital of the Company.

Land revaluation reserve

The revaluation reserve represents the surplus arising on the revaluation of land. This reserve is non-distributable unless the land is either disposed or withdrawn from use.

17 Provision for employees' end of service benefits

	2015 AED '000	2014 AED '000
At 1 January	36,860	32,823
Provision made during the year	7,919	8,203
Adjustment for disposal of a subsidiary (refer to note 24)	(4,629)	-
Payments made during the year	(3,016)	(4,166)
At 31 December	37,134	36,860

18 Finance lease

The Group has entered into a leasing arrangement with a leasing Company registered in the United Arab Emirates to finance certain property, plant and equipment. The term of the lease is 10 years and payments due under leasing arrangement are as follows:

	Future minimum lease payments AED '000	Interest AED '000	2015 Present value of minimum lease payments AED '000
Less than one year	10,923	(1,329)	9,594
Between one to five years	11,798	(718)	11,080
More than five years	2,507	(40)	2,467
	25,228	(2,087)	23,141

18 Finance lease (continued)

	Future minimum lease payments AED '000	Interest AED '000	2014 Present value of minimum lease payments AED '000
Less than one year	9,775	(1,353)	8,422
Between one to five years	14,428	(954)	13,474
More than five years	2,507	(40)	2,467
	26,710	(2,347)	24,363

Presented in statement of financial position as:

	2015 AED '000	2014 AED'000
Current portion	**9,594**	8,422
Non-current portion	**13,547**	15,941
	23,141	24,363

The finance charges are calculated based on 3 months EIBOR plus 3.5% margin.

19 Borrowings

		2015 AED'000	2014 AED'000
(i) Short term			
Bank overdrafts		**185,190**	275,231
Trust receipts		**67,809**	68,700
Bills discounted and acceptances		**1,055**	-
Current portion of term loans (refer to note (ii) below)		**978,299**	291,538
	(A)	**1,232,353**	635,469
(ii) Term loans			
At 1 January		**2,463,767**	2,798,061
Add: availed during the year		**2,350**	-
Less: repaid during the year		**(71,835)**	(334,294)
At 31 December		**2,394,282**	2,463,767
Less: current portion of term loans		**(978,299)**	(291,538)
Long term portion of term loans	(B)	**1,415,983**	2,172,229
Total borrowings	(A+B)	**2,648,336**	2,807,698

19 Borrowings (continued)

Total borrowings comprise of:

Restructured loan	**2,237,843**	2,288,481
Other borrowings	**410,493**	519,217
	2,648,336	2,807,698

Term loan facilities bear interest at EIBOR and LIBOR plus applicable margins from 0.5% to 4.5% other than the restructured term loans.

Restructured loan

On 2 July 2012, the Company concluded the restructuring agreement with a group of banks covering almost its entire debt outstanding. The amended terms for the facilities provided to the Company was granted on security over the Company's properties amounting to AED 919 million based on the initial valuation in the restructuring agreement.

According to the restructuring agreement, the total borrowing of the Company amounting to AED 2.8 billion is to be repaid as follows:

Year	Cumulative repayment of total borrowings	Cumulative repayment amount (in AED)
31 December 2012	2.5%	69,458,664
31 December 2013	7.5%	208,375,993
31 December 2014	12.5%	347,293,321
31 December 2015	22.5%	625,127,978
31 December 2016	50.0%	1,389,173,285
31 December 2017	75.0%	2,083,759,927
31 December 2018	100.0%	2,778,346,569

The Company shall pay interest in respect of each term facility on the last day of each interest period at the rate which is an aggregate of applicable margin and EIBOR for term facilities denominated in Dirhams and LIBOR for term facilities denominated in Dollars. Margin in relation to each of the following calendar years are as follows:

Year (both inclusive)	Margin Rate (per annum)
2011 to 2014	2.00%
2015 to 2016	2.75%
2017 to 2018	3.50%

Commencing from 2 July 2012, the Company is required to maintain a minimum Asset Cover Ratio of 1.2:1 and is also subject to the general covenants including dividend restriction in accordance with the restructuring agreement. Further, certain subsidiaries of the Company are subject to maintain certain level of financial indebtedness as guarantors of the restructured loan.

Other borrowings

Other borrowings mainly include borrowings by the subsidiaries of the Company. These borrowings are subject to certain financial covenants at the respective subsidiary level and are at the below terms and conditions:

- Pledge of assets;
- Promissory note in favour of the banks; and
- Hypothecation over goods financed by trust receipts.

20 Trade and other payables

	2015 AED '000	2014 AED '000
Current portion		
Trade payables	182,096	266,222
Notes payable	257,040	-
Accrued expenses	107,617	101,420
Provisions and other payables	401,097	211,341
Advance from customers	283,942	194,356
Retentions payable	73,649	138
	1,305,441	773,477
Non-current portion		
Notes payable	-	257,040
Other payables	-	21,893
	-	278,933

Notes payable represents capital protected notes bearing interest rates of LIBOR +0.25% and secured by investment in quoted securities of the Group.

21 Revenue

	2015 AED '000	2014 AED '000 *(Restated)*
Sale of manufactured goods	159,997	238,308
Sale of properties held for development and sale	151,000	323,548
Insurance income	321,780	274,526
Trading, service and rental income	305,771	233,129
Dividend income	2,051	6,416
	940,599	1,075,927

22 Cost of revenue

	2015 AED '000	2014 AED '000 *(Restated)*
Cost of goods manufactured and sold	147,354	221,628
Cost of properties held for development and sale	127,020	331,581
Cost of insurance	256,136	223,381
Cost of trading, services and rentals	154,660	100,258
	685,170	876,848

23a Administrative and general expenses

	2015 AED '000	2014 AED '000
These include:		
Staff salaries and benefits	**134,084**	94,401
Rent expense	**22,943**	16,703
Legal and professional	**22,661**	19,763
Depreciation	**17,018**	19,903
Utilities	**10,594**	6,703
Repair and maintenance	**4,952**	8,448
Allowance for slow moving inventories	**163**	5,974
Impairment of receivables	**-**	13,600
Impairment of goodwill	**-**	500

23b Other income

In the previous year, other income included an amount of AED 23 million representing write back of a liability recognised in prior year. The Company had entered into a settlement agreement with a creditor and had concluded that there is no legal or constructive obligation for the Company to carry this liability. Accordingly, this amount had been written back to profit or loss.

Furthermore, other income also included an amount of AED 17 million representing the re-measurement of the deferred consideration at the date of final settlement relating to the disposal of interest in a subsidiary in 2012.

24 Discontinued operations

On 10 November 2015, the Company entered into an agreement to sell its entire stake in a subsidiary for sale proceeds of AED 303 million.

Certain precedent conditions of the agreement, which were procedural in nature, were completed subsequent to the year-end, and had no impact on the transfer of risks and financial benefits to the buyer as at 31 December 2015 (effective date of transfer). Also refer note to 13a.(i).

As at the reporting date, the carrying value of net assets of the subsidiary was AED 134.9 million resulting in a gain of AED 168.1 million which has been recognised in the consolidated statement of profit or loss.

(i) Results from discontinued operations

	2015 AED '000	2014 AED '000
Revenue	**227,821**	305,363
Cost of revenue	**(175,068)**	(241,398)
Gross profit	**52,753**	63,965
Administrative and general expenses	**(9,170)**	(9,668)
Selling and distribution expenses	**(22,694)**	(15,461)
Other income	**101**	89
Finance cost	**(986)**	(3,268)
Profit for the year from discontinuing operations	**20,004**	35,657

Also refer to note 2.5.c.

24 Discontinued operations (continued)

(ii) Effect of disposal on financial position of the Group

	2015 AED '000
Assets	
Non-current assets	
Property, plant and equipment	44,740
Current assets	
Inventories	27,908
Trade and other receivables	116,786
Cash in hand and bank	1,781
	146,475
Total assets	191,215
Non-current liabilities	
Provision for employees' end of service benefits	4,629
Current liabilities	
Trade and other payables	51,594
Total liabilities	56,223
Total assets and liabilities	134,992
Total sales consideration	303,000
Gain recognised on disposal of interest in a subsidiary	168,008

25 Finance income

	2015 AED '000	2014 AED '000
Interest on bank deposits	14,574	15,180

26 Finance cost

	2015 AED '000	2014 AED '000
Interest on term loans, bank overdraft, borrowings and payable to a related party	127,610	114,742
Interest on finance lease	509	602
	128,119	115,344

Also refer to note 12.

27 Earnings per share

	2015 AED '000	2014 AED '000 *(Restated)*
Net profit attributable to owners of the company (AED '000)	14,348	85,121
Number of shares ('000)	1,791,333	1,791,333
Basic earnings per share (AED Fils per share)	0.80	4.75

28 Operating lease commitments

At the end of reporting date, the minimum lease commitments of the Group were as follows:

	2015 AED '000	2014 AED '000
Less than one year	9,978	2,626
One to five years	25,317	5,012
	35,295	7,638

29 Commitments and contingent liabilities

29.1 Commitments as of the end of reporting date were as follows:

	2015 AED '000	2014 AED '000
Building construction contracts	737,677	288,406

29.2 Contingent liabilities as of the end of reporting date were as follows:

	2015 AED '000	2014 AED '000
Letter of credit	1,147	5,004
Letters of guarantee	12,433	15,099

29 Commitments and contingent liabilities (continued)

29.2.1 Certain claims and contingent liabilities may arise during the normal course of business. The Board of Directors review these on a regular basis as and when such claims are received and each case is treated according to its merit. Based on the terms of the relevant contracts and circumstances, the Group determines if a counter claim should be lodged. Based on the opinion of the Group's independent legal counsel and information presently available, the Board of Directors have assessed that the final outcome of outstanding legal claims (initial judgement in some cases is in favour and in some cases against the Company) cannot be reliably determined considering these cases are sub-judice. On the basis of their review of the current position of these legal claims, the Company's Directors are of the view that the existing provision as at the reporting date is adequate to cover any possible cash outflows arising from the final outcome of these claims. The Company has elected not to present the complete disclosures as required by IAS 37 "Provision and Contingent Liabilities and Contingent Assets" as management is of the view that since the legal claims are sub-judice and are disputed, therefore this information may be prejudicial to their position on these matters.

29.2.2 The Group had a receivable from an associate company and advance received against sale of certain property from an entity being an SPV of this associate company. The Group had obtained an independent legal opinion from an external lawyer, which confirms that the Group may have its option (at its sole decision) to commercially set-off advance with the receivable for like for like parties. The Board of Directors have reviewed the status of the legal proceedings and the above legal advice and have concluded that Group will exercise its option (at Group's sole decision) and will choose commercially to set-off the payable with the receivable as the entities involved will qualify for like for like parties. Accordingly, the Group have set off the advance received from the SPV of the associate company against the receivable from the associate company.

30 Financial instruments

Financial assets of the Group include investments measured at fair value through other comprehensive income, due from related parties, re-insurance contract assets, trade and other receivables, investments measured at fair value through profit or loss and cash at bank. Financial liabilities of the Group include term loans, notes payable, amounts due to related parties, insurance contract liabilities, trade and other payables, short term borrowings and finance lease liabilities. The table below sets out the Group's classification of each class of financial assets and financial liabilities and their fair values for the current and comparative period:

30 Financial instruments (continued)

	Designated as fair value through profit or loss AED' 000	Designated as fair value through other comprehensive income AED' 000	Others at amortised cost AED' 000	Carrying amount AED' 000	Fair value AED' 000
2015					
Financial assets					
Investment in securities	299,325	80,507	-	379,832	379,832
Due from related parties	-	-	89,619	89,619	89,619
Re-insurance contract assets	-	-	226,787	226,787	226,787
Trade and other receivables	-	-	1,334,944	1,334,944	1,334,944
Cash at bank	-	-	351,996	351,996	351,996
	299,325	80,507	2,003,346	2,383,178	2,383,178
Financial liabilities					
Borrowings	-	-	2,648,336	2,648,336	2,648,336
Due to related parties	-	-	402,181	402,181	402,181
Insurance contract liabilities	-	-	479,772	479,772	479,772
Trade and other payables	-	-	1,305,441	1,305,441	1,305,441
Finance lease liabilities	-	-	23,141	23,141	23,141
	-	-	4,858,871	4,858,871	4,858,871
2014					
Financial assets					
Investment in securities	359,190	79,532	-	438,722	438,722
Due from related parties	-	-	189,626	189,626	189,626
Re-insurance contract assets	-	-	185,626	185,626	185,626
Trade and other receivables	-	-	1,163,630	1,163,630	1,163,630
Cash at bank	-	-	405,624	405,624	405,624
	359,190	79,532	1,944,506	2,383,228	2,383,228
Financial liabilities					
Borrowings	-	-	2,807,698	2,807,698	2,172,229
Due to related parties	-	-	447,332	447,332	463,332
Insurance contract liabilities	-	-	460,490	460,490	460,490
Trade and other payables	-	-	1,052,410	1,052,410	1,341,847
Finance lease liabilities	-	-	24,363	24,363	26,710
	-	-	4,792,293	4,792,293	4,792,295

30 Financial instruments (continued)

Credit risk

Exposure to credit risk

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was:

	2015 AED'000	2014 AED'000 *(Restated)*
Due from related parties	**89,619**	189,626
Re-insurance contract assets	**226,787**	185,626
Trade and other receivables (excluding prepayments and advances)	**1,035,155**	770,581
Cash at banks	**351,996**	405,624
	1,703,557	1,551,457

The Group has no significant concentration of credit risk, with exposure spread over a large number of counterparties and customers.

Based on historical default rates and review of trade receivable balances, the Group's management is of the view that no further provision is required against outstanding trade receivables.

Movement in the allowance for impairment are as follows:

	2015 AED '000	2014 AED '000
At 1 January	**115,463**	124,487
Allowances made during the year	**12,495**	28,348
Amounts transferred to other receivables	-	(25,516)
Amounts transferred to due from related party	-	(9,647)
Amounts written off as uncollectable	**(7,514)**	(418)
Amounts recovered	**(1,799)**	(1,791)
At 31 December	**118,645**	115,463

30 Financial instruments (continued)

Liquidity risk

The following are the contractual maturities of the Group's financial liabilities at the reporting dates:

	Carrying value AED' 000	Contractual cash flows AED' 000	Less than 1 year AED' 000	More than 1 year AED' 000
2015				
Financial liabilities				
Long term portion of term loans	**1,415,983**	**1,566,904**	**51,840**	**1,515,064**
Due to related parties	**402,181**	**421,916**	**421,916**	**-**
Outstanding claim reserve	**201,731**	**201,731**	**201,731**	**-**
Trade and other payables	**1,305,441**	**1,554,472**	**1,554,472**	**-**
Short term borrowings	**1,232,353**	**1,285,116**	**1,285,116**	**-**
Finance lease liabilities	**23,141**	**25,228**	**9,594**	**13,547**
	4,580,830	**5,055,367**	**3,524,669**	**1,528,611**
2014				
Financial liabilities				
Long term portion of term loans	2,172,229	2,405,392	63,580	2,341,812
Due to related parties	447,332	463,332	463,332	-
Outstanding claim reserve	196,213	196,213	196,213	-
Trade and other payables	1,052,410	1,341,847	1,058,414	283,433
Short term borrowings	635,469	679,950	679,950	-
Finance lease liabilities	24,363	26,170	8,422	18,288
	4,528,016	5,112,904	2,469,911	2,643,533

Interest rate risk

The Group's exposure to interest rate risk relates to its deposits with banks, balance due to a related party, bank borrowings and finance lease.

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

	2015 AED'000	2014 AED'000
Variable rate instruments		
Financial assets	**285,305**	347,182
Financial liabilities	**(3,753,781)**	(3,536,433)
	(3,468,476)	(3,189,251)

30 Financial instruments (continued)

Cash flow sensitivity analysis for variable rate instruments

A change of 100 basis points in interest rates at the reporting date would have increased/ (decreased) equity by the amounts shown below. This analysis assumes that all other variables remain constant. This analysis is performed on the same basis for 2014.

	Equity	
	100 basis points increase AED'000	**100 basis points decrease AED'000**
At 31 December 2015		
Variable rate instruments	**(34,685)**	**34,685**
At 31 December 2014		
Variable rate instruments	(31,893)	31,893

Equity price risk

The Group's exposure to equity price rate risk relates to its investments measured at fair value through profit or loss and investments measured at fair value through other comprehensive income.

At the reporting date, the equity price profile of the Group's interest bearing financial instruments was:

	2015 AED'000	2014 AED'000
Investments measured at fair value through profit or loss	**299,325**	359,190
Investments measured at fair value through other comprehensive income	**80,507**	79,532
	379,832	438,722

Cash flow sensitivity analysis for equity instruments

A change of 100 basis points in equity rates at the reporting date would have increased/ (decreased) equity by the amounts shown below. This analysis assumes that all other variables remain constant. This analysis is performed on the same basis for 2014.

	Equity	
	100 basis points increase AED'000	**100 basis points decrease AED'000**
At 31 December 2015		
Equity instruments	**3,798**	**(3,798)**
At 31 December 2014		
Equity instruments	4,387	(4,387)

30 Financial instruments (continued)

Fair value hierarchy

All financial instruments for which fair value is recognised or disclosed are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

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).

For financial instruments that are recognised at fair value on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

	Level 1 AED'000	Level 2 AED'000	Level 3 AED'000
2015			
Financial assets			
Investments measured at fair value through other comprehensive income			
Quoted equity investments	**70,008**	-	-
Unquoted equity investments	-	-	**10,499**
	70,008	-	**10,499**
Investments measured at fair value through profit or loss			
Quoted equity investments	**230,699**	-	-
Unquoted equity investments	-	-	**68,626**
	230,699	-	**68,626**
2014			
Financial assets			
Investments measured at fair value through other comprehensive income			
Quoted equity investments	67,268	-	-
Unquoted equity investments	-	-	12,264
	67,268	-	12,264
Investments measured at fair value through profit or loss			
Quoted equity investments	257,745	-	35,000*
Unquoted equity investments	-	-	66,445
	257,745	-	101,445

* Pertains to a derivative arrangement entered during 2014.

30 Financial instruments (continued)

Fair value hierarchy (continued)

During the current year, there were no transfers between Level 1 and Level 2 fair value measurements, and no transfers into or out of Level 3 fair value measurements.

The fair value of unquoted equity investments has been determined by external, qualified and independent valuer who has experience in equity investments valuations.

31 Key accounting judgments and uncertainty

In the application of the Group's accounting policies, which are described in Note 3 to these consolidated financial statements, management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

The significant judgements and estimates made by management, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are described below:

Key judgments in applying accounting policies

Classification of investments

Management decides on acquisition of a financial asset whether it should be subsequently measured at either amortised cost, fair value through profit or loss or fair value through other comprehensive income. This classification is based on the business objective and cash flow characteristics of the investment.

Classification of properties

In the process of classifying properties, management has made various judgments. Judgment is needed to determine whether a property qualifies as an investment property, property, plant and equipment and/or property held for development and sale. The Group develops criteria so that it can exercise that judgment consistently in accordance with the definitions of investment property, property, plant and equipment and properties held for development and resale. In making its judgment, management considered the detailed criteria and related guidance for the classification of properties as set out in IAS 2, IAS 16 and IAS 40, in particular, the intended usage of property as determined by the management. Properties held for development and sale are grouped under current assets as intention of the management is to sell it within one year from the end of the reporting date.

31 Key accounting judgments and uncertainty (continued)

Key sources of estimation

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

Fair value of investment properties

The fair value of investment properties is determined by independent real estate valuation experts using recognised valuation methods. Refer to note 6 for details.

Such estimations are based on certain assumptions, which are subject to uncertainty and might materially differ from the actual results.

Useful lives of property, plant and equipment

The Group's management determines the estimated useful lives and related depreciation charge for its property, plant and equipment on an annual basis. The Group has carried out a review of the residual values and useful lives of property, plant and equipment as at 31 December 2015.

Valuation of unquoted equity investments

Valuation of unquoted equity investments is normally based on recent market transactions on an arm's length basis, fair value of another instrument that is substantially the same, expected cash flows discounted at current rates for similar instruments or other valuation models. In the absence of an active market for these investments or any recent transactions that could provide evidence of the current fair value, these investments are carried at cost less recognised impairment losses, if any. Management believes that the carrying values of these unquoted equity investments are not materially different from their fair values. Valuation techniques and key inputs are mentioned in note 30 to these consolidated financial statements.

Impairment of investments in joint ventures and associates

Management regularly reviews its investments in joint ventures and associates for indicators of impairment. This determination of whether investments in joint ventures and associates are impaired entails Management's evaluation of the specific investee's profitability, liquidity, solvency and ability to generate operating cash flows from the date of acquisition and until the foreseeable future. The difference between the estimated recoverable amount and the carrying value of investment is recognised as an expense in profit or loss. Management is satisfied that no impairment provision is necessary on its investments in joint ventures and associates in excess of amounts already provided.

Impairment of trade and other receivables

An estimate of the collectible amount of trade and other receivables is made when collection of the full amount is no longer probable. This determination of whether the receivables are impaired entails Management's evaluation of the specific credit and liquidity position of the customers and related parties and their historical recovery rates, including discussion with legal department and review of current economic environment. Management is satisfied that no additional impairment is required on its trade and other receivables in excess of amount already provided.

31 Key accounting judgments and uncertainty (continued)

Key sources of estimation (continued)

Inventories

Inventories are stated at the lower of cost and net realisable value. Adjustments to reduce the cost of inventory to its realisable value, if required, are made at the product group level for estimated excess, obsolescence or impaired balances. Factors influencing these adjustments include changes in demand, product pricing, physical deterioration and quality issues.

Insurance contract classification

Contracts are classified as insurance contracts where they transfer significant insurance risk from the holder of the contract to the Group.

There are a number of contracts sold where the Group exercises judgement about the level of insurance risk transferred. The level of insurance risk is assessed by considering whether there are any scenarios with commercial substance in which the Group is required to pay significant additional benefits. These benefits are those which exceed the amounts payable if no insured event were to occur. These additional amounts include claims liability and assessment costs, but exclude the loss of the ability to charge the holder of the contract for future services.

Provision for outstanding claims, whether reported or not

Considerable judgment by the management is required in the estimation of amounts due to the contract holders arising from claims made under insurance contracts. Such estimates are necessarily based on significant assumptions about several factors involving varying, and possible significant, degrees of judgment and uncertainty and actual results may differ from management's estimates resulting in future changes in estimated liabilities.

In particular, estimates have to be made both for the expected ultimate cost of claims reported at the date of statement of financial position and for the expected ultimate cost of claims incurred but not reported ("IBNR") at the date of statement of financial position. Estimates are made for the expected ultimate cost of claims incurred but not yet reported at the reporting date (IBNR) using a range of standard actuarial claim projection techniques, based on empirical data and current assumptions that may include a margin for adverse deviation and are presented in Note 11.

Claims requiring court or arbitration decisions are estimated individually. Independent loss adjusters normally estimate property claims. Management reviews its provisions for claims incurred and IBNR claims regularly.

Liability adequacy test

At each consolidated statement of financial position date, liability adequacy tests are performed to ensure the adequacy of insurance contract liabilities. The Group makes use of the best estimates of future contractual cash flows and claims handling and administration expenses, as well as investment income from the assets backing such liabilities in evaluating the adequacy of the liability. Any deficiency is immediately charged to the consolidated profit or loss.

31 Key accounting judgments and uncertainty (continued)

Key sources of estimation (continued)

Impairment of goodwill

Goodwill is tested annually for impairment and at other times when such indications exist. The impairment calculation requires the use of estimates. Management has performed impairment test during the year and based on the financial position, performance and expansion plans of the entities, have concluded that expected future cash flows to arise from each subsidiaries will be adequate, accordingly no impairment is required.

Impairment of properties held for development and sale

The Group's management reviews the properties held for development and sale to assess impairment, if there is an indication of impairment.

In determining whether impairment losses should be recognised in the consolidated statement of profit or loss and other comprehensive income, the management assesses the current selling prices of the property units and the anticipated costs for completion of such property units for properties which remain unsold at the reporting date. If the current selling prices are lower than the anticipated costs to complete, an impairment provision is recognised for the identified loss event or condition to reduce the cost of properties held for development and sale to its net realisable value.

Valuation of financial instruments (options)

In case of options, management considers market conditions of those options to arrive at a value that reflects the market conditions associated with those options. The fair value estimates presented herein are not necessarily indicative of an amount that the Group would realise in a current transaction, and because of the inherent uncertainly of valuations, do not represent amounts that will be ultimately realised, since such amounts depend on future circumstances and the differences could be material.

32 Segment information

The internal management reports that are prepared under IFRS are reviewed by the Board of Directors based on the different sectors in which the Group operates. The Group has identified the following different sectors as its basis of segmentation:

Manufacturing	Includes manufacture and sale of oil, lubricants, grease, prefabricated houses, concrete, carpentry, restaurant, ovens, kitchens and central air conditioning systems.
Investments	Includes investments in real estate properties and equity securities.
Services and others	Service and other operations include writing of insurance and various other services including hospitality.

Information regarding the operations of each separate segment is included below. Performance is measured based on segment profit as management believes that profit is the most relevant factor in evaluating the results of certain segments relative to other entities that operate within these industries. There are regular transactions between the segments and any such transaction is priced on mutually agreed terms.

Notes *(continued)*

32 Segment information (continued)

	Manufacturing		Investments **		Services and others		Inter-segment		Total	
	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014
	AED'000	AED'000	AED'000	AED'000	AED'000	AED'000	AED'000	AED'000	AED'000	AED'000
Segment assets	434,608	549,278	4,621,876	4,376,709	657,852	583,037	448,657	597,638	6,162,993	6,106,662
Segment liabilities	302,435	394,193	3,215,024	2,998,162	735,929	661,641	642,617	775,157	4,896,005	4,829,153
Revenue*	413,853	440,741	155,488	274,211	599,079	666,338	-	-	1,168,420	1,381,290
Segment result from operations*	8,742	16,522	175,452	175,874	(48,940)	8,861	-	-	135,254	201,257
Finance income*	-	-	14,574	15,180	-		-	-	14,574	15,180
Finance cost*	(9,755)	(15,186)	(110,319)	(93,802)	(9,031)	(9,624)	-	-	(129,105)	(118,612)
Profit/(loss) for the year*	(1,013)	1,336	79,707	97,252	(57,971)	(763)	-	-	20,723	97,825

* Including discontinued operations.

** Refer note 24 for discontinued operating segments.

33 Details of non-wholly owned subsidiaries that have material non-controlling interests

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

	Al Sagr National Insurance Co. P.S.C. and a subsidiary		L.A.I. General Trading L.L.C. - Dubai		Dubai Al Ahlia Quick Transport LLC		Others		Total	
	2015 AED'000	2014 AED'000	2015 AED'000	2014 AED'000	2015 AED'000	2014 AED'000	2015 AED'000	2014 AED'000	2015 AED'000	2014 AED'000
Current assets	1,061,531	1,110,645	-	31,537	38,673	41,828	106,492	117,391	1,206,696	1,301,402
Non-current assets	194,341	195,675	-	-	23,605	17,254	19,049	17,838	236,995	230,767
Current liabilities	811,125	826,195	-	-	23,925	27,988	91,912	88,686	926,962	942,869
Non-current liabilities	13,368	13,402	-	-	2,392	2,700	3,817	9,445	19,577	25,547
Equity attributable to:										
Non-controlling interest	202,788	219,290	-	15,769	17,981	14,197	7,101	5,379	227,870	254,635
Revenue	319,411	274,526	-	123,772	57,983	57,452	113,293	183,303	493,056	639,053
Expenses	333,237	233,336	-	133,480	50,415	70,842	98,218	176,899	484,250	614,558
Profit/(loss) for the year	(13,825)	41,190	-	(9,708)	7,568	(13,390)	15,075	6,404	8,806	24,495
Attributable to:										
Non-controlling interests	(6,498)	19,359	-	(4,854)	3,785	(6,695)	9,088	4,894	6,375	12,704
Cash flow statement information:										
Cash flows from operating activities	99,368	33,124	-	7	10,561	(3,087)	-	-	-	-
Cash flows from investing activities	18,052	102	-	-	(12,966)	4,840	-	-	-	-
Cash flows from financing activities	(117,492)	4,953	-	-	6,147	(1,748)	-	-	-	-

34 Details of associates and joint ventures that are material to the Group

The summarised financial information below represents amounts shown in the associates' financial statements prepared in accordance with IFRSs (adjusted by the Group for equity accounting purposes).

	Union Insurance P.S.C.		Awtad Co. PJSC		Ghadeh General Trading & Contracting Co. L.L.C. (Khalid Mustafa Sons & Partners)		Others		Total	
	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014
	AED'000	AED'000	AED'000	AED'000	AED'000	AED'000	AED'000	AED'000	AED'000	AED'000
Current assets	950,120	745,796	15	252	51,081	51,081	55,163	72,829	1,056,379	869,958
Non-current assets	162,598	144,641	218,077	194,792	6,564	6,564	59,678	1,962	446,918	347,959
Current liabilities	(768,668)	(531,342)	(13,305)	(1,001)	(26,790)	(26,790)	(76,798)	(31,547)	(885,561)	(590,680)
Non-current liabilities	(2,069)	(1,659)	-	-	(544)	(544)	(1,302)	(1,273)	(3,916)	(3,476)
Net assets	341,981	357,436	204,787	194,043	30,311	30,311	36,741	41,971	613,820	623,761
Fair value adjustment on acquisition	-	-	-	-	-	-	-	-	-	-
Group's share of net assets	-	-	-	-	-	-	-	-	238,589	301,511
Revenue	313,114	227,848	2,102	7,500	-	21,879	-	6,005	315,216	263,232
Profit/(loss) for the year	(4,732)	44,098	1,944	(3,128)	-	295	-	(1,809)	(2,788)	39,456
Other comprehensive loss for the year	-	(16,303)	-	-	-	-	-	-	-	(16,303)
Group's share of profit/ (loss) for the year	-	-	-	-	-	-	-	-	(1,444)	14,246
Group's share of other comprehensive loss for the year	(3,273)	(7,979)	-	-	-	-	-	-	(3,273)	(7,979)
Fair value of the Group's share (based on quoted market price)	105,135	173,347	-	-	-	-	-	-	105,131	173,347

35 Comparative amounts

Certain comparative figures have been reclassified/ regrouped to confirm to the presentation adopted in these financial statements. Also refer to note 2.5.