Emaar Properties PJSC and its Subsidiaries

CONSOLIDATED FINANCIAL STATEMENTS

31 DECEMBER 2019

Emaar Properties PJSC and its Subsidiaries

Consolidated Financial Statements
For the year ended 31 December 2019

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DIRECTORS' REPORT

The Board of Directors of Emaar Properties PJSC (the "Company") has pleasure in submitting the consolidated statement of financial position of the Company and its Subsidiaries (the "Group") as at 31 December 2019 and the related consolidated income statement, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year ended 31 December 2019.

Principal activities

The principal activities of the Group during the year ended 31 December 2019 were property investment, development and development management, shopping malls and retail, hospitality, property management and utility services and investment in providers of financial services.

Financial results

The Group has recorded a net profit attributable to the owners of the Company of AED 6,200 million for the year ended 31 December 2019.

In accordance with the Articles of Association of the Company and UAE Federal Law No. (2) of 2015, an appropriation of AED 620 million is made to a general reserve from the distributable profit of AED 6,200 million. The transfer of profit to statutory reserve has been suspended as the reserve has reached 50% of the paid-up share capital.

In view of the current circumstances, the Board of Directors of the Company has not recommended any dividend to the shareholders for the year 2019, which is subject to the approval of the shareholders at the forthcoming Annual General Meeting of the Company.

The balance of the distributable profit after considering appropriation to general reserve will be transferred to retained earnings. Total shareholders' funds attributable to the owners of the Company as at 31 December 2019 amount to AED 54,162 million.

Outlook for 2020

Emaar's performance in 2019 was resilient, maintaining growth within a challenging market. Our property sales achievements of AED 19,233 million in 2019 are a testament to the products and the people driving the innovations and quality. Emaar now has a significant sales backlog of over AED 45,795 million to be recognised as revenue / profit over the coming years. We have also expanded our recurring revenue generating businesses with the expansion of The Dubai Mall, acquiring 100% of the Namshi business and opening new leisure attractions.

The Company continuously sets the bar higher to ensure that it maintains the performance levels. The Company will be optimizing resources, improving efficiency and maximizing our productivity to enhance its performance. Digital transformation and product innovation coupled with enhancing market reach will set the platform for future growth and long-term value creation for shareholders.

Transactions with related parties

The consolidated financial statements disclose related party transactions and balances in note 31. All transactions are carried out as part of our normal course of business and in compliance with applicable laws and regulations.

Directors

Mr. Mohamed Ali Alabbar	(Chairman)
Mr. Jamal Majed Bin Theniyah	(Vice Chairman)
Mr. Ahmed Jamal Jawa	(Director)
Mr. Ahmad Thani Almatrooshi	(Director)
Mr. Arif Obaid Aldehail	(Director)
Mr. Abdulrahman Hareb Alhareb	(Director)
Mr. Abdulla Saeed Belyoahah	(Director)
Mr. Jamal Hamed Almarri	(Director)
Mr. Jassim Mohammed Alali	(Director)

Auditors

KPMG were appointed as external auditors of the Group for the year ended 31 December 2019. The Board of Directors has recommended KPMG as the auditors for 2020 for approval by the shareholders at the forthcoming Annual General Meeting.

On behalf of the Board

Mohamed Ali Alabbar
Chairman
Dubai, United Arab Emirates

30 MAR 2020

KPMG

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Independent Auditors' Report

To the Shareholders of Emaar Properties PJSC

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Emaar Properties PJSC ("the Company") and its subsidiaries ("the Group"), which comprise the consolidated statement of financial position as at 31 December 2019, the consolidated income statement, consolidated statements of comprehensive income, changes in equity and cash flows for the year then ended, and notes, comprising significant accounting policies and other explanatory information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at 31 December 2019, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS).

Basis for Opinion

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

Key Audit Matters

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

Key Audit Matters (continued)

Revenue recognition on sale of properties and lease rental income

Refer to notes 2.2, 2.4 and 5 to the consolidated financial statements

The Group recognizes revenue in accordance with IFRS 15 *"Revenue from contracts with Customers"* and IFRS 16 *"Leases"*.

The Group recognises revenue on sale of properties both at point in time and over time depending on the terms of contracts with customers and the relevant laws and regulations of the jurisdiction in which it has entered into the contract with its customers. Revenue recognition on sale of properties was considered a key audit matter due to following key elements of judgement and estimation involved:

- the analysis of whether the contracts comprise one or more performance obligations;
- determining whether the performance obligations are satisfied over time or at a point in time;
- total estimated development and infrastructure costs required to meet performance obligations under the contracts with customers; and
- evaluating the probability that the Group will collect the entitled consideration under the contracts with customers.

Rental income from leased properties is recognised in accordance with the lease term on a straight line basis from the lease commencement date over the lease term, in addition, the lease agreements may include specific nonstandard arrangements related to (i) lease rent income computed based on lessee turnover; and (ii) tenant incentives. The Group is also highly depended on a complex IT system in the calculation and recognition of rental income considering the volume of lease agreements.

Given the complex IT system used by the Group in recognizing rental income and the specific nonstandard arrangement in the lease agreement, rental income from leased properties is a matter that warrants additional audit focus.

How our audit addressed the key audit matter

- Obtained understanding of the revenue process implemented by the Group;
- We have performed test of design and implementation and test of operating effectiveness of relevant controls;
- On a sample basis, we assessed the contracts for sale of properties to identify the performance obligations of the Group under these contracts and assessed whether these performance obligations are satisfied over time or at a point in time based on the criteria specified under IFRS 15;

Key Audit Matters (continued)

Revenue recognition on sale of properties and lease rental income (continued)

How our audit addressed the key audit matter (continued)

- On a sample basis, we assessed the appropriateness of measuring the progress of the construction of properties by reference to costs incurred to date compared to the estimated total costs where the performance obligation is satisfied over time;
- On a sample basis, we assessed the adequacy of the cost to complete through the independent cost consultant's report. For costs incurred to date, we have tested the significant items of cost components by comparing these to the relevant supporting documents including payment certificates to ascertain the existence and accuracy of the costs of work done;
- Tested controls, assisted by our IT specialists, over the rental income recognition process to ensure existence and accuracy of the lease rental income recorded over the lease term in accordance with IFRS 16 *Leases*;
- Checked a sample of lease contracts entered with customers to assess whether the rental income was recognised as per the contractual terms including non-standard lease clauses and in accordance with the requirements of IFRS 16; and
- We assessed the adequacy of the Group's disclosure in relation to the requirements of IFRS 15 and IFRS 16.

Assessment of net realisable value of development properties and valuation of investment properties

Refer to notes 2.2, 2.4, 12 and 17 to the consolidated financial statements

The Group holds development properties both for completed projects and projects under construction and investment properties. Valuation of these properties is a significant judgement area and is underpinned by a number of assumptions.

Development properties are stated at the lower of cost and estimated net realisable value. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale. Investment properties are measured at cost less accumulated depreciation and impairment if any. In addition, the Group discloses the fair value of development properties and investment properties in the notes to the consolidated financial statements.

The Group engages professionally qualified external valuers to assess the fair value of its development and investment properties. The valuation process involves significant judgement in determining the appropriate valuation methodology to be used, and in estimating the underlying assumptions to be applied.

Key Audit Matters (continued)

Assessment of net realisable value of development properties and valuation of investment properties (continued)

Refer to notes 2.2, 2.4,12 and 17 to the consolidated financial statements (continued)

The existence of significant estimation uncertainty warrants specific audit focus in this area as any error in determining the fair value, could have a material impact on the carrying value of the Group's development properties, investment properties and the fair value disclosures in the Group's consolidated financial statements.

How our audit addressed the key audit matter

- We evaluated the qualifications and competence of the external valuers and read the terms of engagement of the valuers with the Group to determine whether there were any matters that might have affected their objectivity or limited the scope of their work;

- We involved our real estate valuation specialist, who reviewed valuation methodologies used in the valuation process and challenged the estimates of sales price, market rent, future rental income, operating costs, occupancy rate, discount rates, capitalization and terminal yield rates used in the valuation by comparing them against historical rates and available industry data, taking into consideration comparability and market factors. Where the rates were outside the expected range, we undertook further procedures to understand the effect of additional factors and, when necessary, held further discussions with the valuers;

- Tested the integrity of inputs of the projected cash flows used in the valuation to supporting leases and other documents;

- On a sample basis, performed audit procedures to assess whether the source data used for the valuation are reasonable by comparing it to the underlying supporting information to obtain insight into the calculation models used to determine the recoverable value;

- Performed sensitivity analysis on the significant assumptions to evaluate the extent of the impact on the fair value and assessed the impact of changes in the key assumptions to the conclusions reached by management and whether there were any indicators of management bias; and

- Based on the outcome of our evaluation, we assessed the adequacy of the disclosure in the consolidated financial statements.

Other Matter Relating to Comparative Information

The consolidated financial statements of the Group as at and for the years ended 31 December 2018 and 31 December 2017 (from which the statement of financial position as at 1 January 2018 has been derived), excluding the adjustments described in Note 2.3(b) to these consolidated financial statements, were audited by another auditor who expressed an unmodified opinion on those consolidated financial statements on 20 March 2019 and 22 March 2018 respectively.

As part of our audit of these consolidated financial statements as at and for the year ended 31 December 2019, we have audited the adjustments described in Note 2.3(b) that were applied to restate the comparative information presented as at 31 December 2018, and the statement of financial position as at 1 January 2018.

We were not engaged to audit, review or apply any procedures to the consolidated financial statements for the years ended 31 December 2018 or 31 December 2017 (not presented herein), other than with respect to the adjustments described in note 2.3(b) to the consolidated financial statements. Accordingly, we do not express an opinion or any other form of assurance on those respective consolidated financial statements taken as a whole. However, in our opinion, the adjustments described in note 2.3(b) are appropriate and have been properly applied.

Other Information

Management is responsible for the other information. The other information comprises the Directors' report.

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

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

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

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS, 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

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

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

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

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

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

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

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.

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

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

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

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

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

Report on Other Legal and Regulatory Requirements

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 notes 13,15 and 19 to the consolidated financial statement, the Group has purchased shares during the year ended 31 December 2019;

vi) note 31 to the consolidated financial statements discloses material related party transactions and the terms under which they were conducted;

vii) based on the information that has been made available to us, nothing has come to our attention which causes us to believe that the Group has contravened during the financial year ended 31 December 2019 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 2019; and

viii) note 6 to the consolidated financial statements discloses the social contributions made during the year.

KPMG Lower Gulf Limited.

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

Date: 30 MAR 2020

CONSOLIDATED INCOME STATEMENT

For the year ended 31 December 2019

		(US$ 1.00 = AED 3.673)	
	Notes	***2019 AED'000***	*2018 AED'000 (Restated)**
Revenue	5	**24,585,931**	25,694,324
Cost of revenue	5	**(13,023,507)**	(12,811,621)
GROSS PROFIT		**11,562,424**	12,882,703
Other operating income		**525,756**	433,281
Other operating expenses		**(163,832)**	(162,999)
Selling, general and administrative expenses	6	**(3,303,342)**	(3,185,455)
Depreciation of property, plant and equipment	16	**(646,488)**	(688,959)
Depreciation of investment properties	17	**(499,821)**	(511,785)
Finance income	7(a)	**652,329**	835,872
Finance costs	7(b)	**(1,162,678)**	(1,057,015)
Gain on distribution of non-cash assets	4(a)	**-**	353,407
Other income		**1,067,507**	489,336
Share of results of associates and joint ventures	15	**(128,202)**	49,678
Impairment / write-off	12	**-**	(396,216)
PROFIT BEFORE TAX		**7,903,653**	9,041,848
Income tax credit	8	**305,692**	11,031
PROFIT FOR THE YEAR		**8,209,345**	9,052,879
ATTRIBUTABLE TO:			
Owners of the Company		**6,200,029**	6,139,196
Non-controlling interests		**2,009,316**	2,913,683
		8,209,345	9,052,879
Earnings per share attributable to the owners of the Company:			
- basic and diluted earnings per share (AED)	27	**0.87**	0.86

* Certain amounts shown here do not correspond to the 2018 consolidated financial statements and reflect adjustments made as detailed in Note 2.3(b).

The accompanying notes 1 to 34 form part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2019

	(US$ 1.00 = AED 3.673)	
	2019 AED'000	*2018 AED'000 (Restated)**
Profit for the year	**8,209,345**	9,052,879
Other comprehensive income /(loss) items to be reclassified to income statement in subsequent periods:		
Increase in hedging reserve	**-**	2,589
Reclassification of hedging reserve to consolidated income statement	**-**	(14,593)
(Decrease) / increase in unrealised gains/ (losses) reserve	**(2,140)**	3,261
Increase / (decrease) in foreign currency translation reserve	**374,736**	(796,589)
Net other comprehensive income/(loss) *items* to be reclassified to income statement in subsequent periods	**372,596**	(805,332)
Other comprehensive income /(loss) items not to be reclassified to income statement in subsequent periods:		
Increase / (decrease) in unrealised gains / (losses) reserve	**447**	(210,173)
Realised gain on fair value movement through other comprehensive income (note 26)	**393,011**	-
Net other comprehensive income/ (loss) items not to be reclassified to income statement in subsequent periods	**393,458**	(210,173)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	**8,975,399**	8,037,374
ATTRIBUTABLE TO:		
Owners of the Company	**6,941,667**	5,449,603
Non-controlling interests	**2,033,732**	2,587,771
	8,975,399	8,037,374

* Certain amounts shown here do not correspond to the 2018 consolidated financial statements and reflect adjustments made as detailed in Note 2.3(b).

The accompanying notes 1 to 34 forms part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2019

(US$ 1.00 = AED 3.673)

	Notes	2019 AED'000	2018 AED'000 (Restated)*	1 January 2018 AED'000 (Restated)*
ASSETS				
Bank balances and cash	9	**6,795,737**	9,494,194	21,102,536
Trade and unbilled receivables	10	**10,465,030**	7,448,529	2,873,073
Other assets, receivables, deposits and prepayments	11	**15,459,265**	13,991,572	10,505,791
Development properties	12	**40,319,940**	38,384,181	36,721,397
Assets classified as held for sale	4	**669,290**	3,144,037	5,966,500
Investments in securities	13	**2,861,795**	2,235,774	1,985,749
Loans to associates and joint ventures	14	**980,719**	986,966	727,497
Investments in associates and joint ventures	15	**4,922,904**	4,701,430	4,723,962
Property, plant and equipment	16	**10,900,437**	10,647,628	11,237,398
Investment properties	17	**21,905,268**	19,768,447	16,596,397
Intangible assets	18	**766,671**	616,323	626,959
Right-of-use assets	2.3(b)	**823,348**	-	-
TOTAL ASSETS		**116,870,404**	111,419,081	113,067,259
LIABILITIES AND EQUITY				
LIABILITIES				
Trade and other payables	19	**16,919,196**	16,096,023	12,112,184
Advances from customers	20	**10,147,032**	13,587,524	17,884,310
Liabilities directly associated with assets classified as held for sale	4	**159,669**	722,894	3,168,694
Retentions payable	21	**1,576,716**	1,276,971	1,033,329
Deferred income tax payable	8	**1,339,538**	1,874,352	2,080,365
Interest-bearing loans and borrowings	22	**15,785,537**	13,586,401	14,249,576
Sukuk	23	**7,316,364**	7,323,582	7,318,852
Provision for employees' end-of-service benefits	24	**176,929**	162,810	162,707
TOTAL LIABILITIES		**53,420,981**	54,630,557	58,010,017
EQUITY				
Equity attributable to owners of the Company				
Share capital	25	**7,159,739**	7,159,739	7,159,739
Employees' performance share program		**(1,684)**	(1,684)	(1,684)
Reserves	26	**17,562,729**	16,583,498	16,662,287
Retained earnings		**29,441,645**	24,297,987	23,611,254
		54,162,429	48,039,540	47,431,596
Non-controlling interests		**9,286,994**	8,748,984	7,625,646
TOTAL EQUITY		**63,449,423**	56,788,524	55,057,242
TOTAL LIABILITIES AND EQUITY		**116,870,404**	111,419,081	113,067,259

To the best of our knowledge, the consolidated financial statements fairly presents, in all material respects, the consolidated financial position, results of operation and consolidated cash flows of the Group as of, and for, the year ended 31 December, 2019.

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

Chairman

Director

* Certain amounts shown here do not correspond to the 2018 consolidated financial statements and reflect adjustments made as detailed in Note 2.3(b).

The accompanying notes 1 to 34 forms part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2019

(US$ 1.00 = AED 3.673)

	Attributable to the owners of the Company						
	Share capital AED'000	*Employees' performance share program AED'000*	*Reserves AED'000*	*Retained earnings AED'000*	*Total AED'000*	*Non-controlling interests AED'000*	*Total equity AED'000*
Balance as at 31 December 2018	**7,159,739**	**(1,684)**	**16,583,498**	**24,792,451**	**48,534,004**	**8,791,506**	**57,325,510**
Effect of changes as detailed in note 2.3(b)	**-**	**-**	**-**	**(494,464)**	**(494,464)**	**(42,522)**	**(536,986)**
Balance at 31 December 2018 *(Restated)**	**7,159,739**	**(1,684)**	**16,583,498**	**24,297,987**	**48,039,540**	**8,748,984**	**56,788,524**
Transition adjustments on adoptions of new standards (note 2.3(b))	**-**	**-**	**-**	**41,565**	**41,565**	**3,516**	**45,081**
Balance at 1 January 2019	**7,159,739**	**(1,684)**	**16,583,498**	**24,339,552**	**48,081,105**	**8,752,500**	**56,833,605**
Total comprehensive income for the year							
Net profit for the year	**-**	**-**	**-**	**6,200,029**	**6,200,029**	**2,009,316**	**8,209,345**
Other comprehensive income for the year	**-**	**-**	**741,638**	**-**	**741,638**	**24,416**	**766,054**
Total comprehensive income for the year	**-**	**-**	**741,638**	**6,200,029**	**6,941,667**	**2,033,732**	**8,975,399**
Realised gain transferred to retained earnings (note 26)	**-**	**-**	**(393,011)**	**393,011**	**-**	**-**	**-**
Directors' bonus (note 31)	**-**	**-**	**-**	**(7,350)**	**(7,350)**	**-**	**(7,350)**
Dividend paid to shareholders (note 30)	**-**	**-**	**-**	**(1,073,961)**	**(1,073,961)**	**-**	**(1,073,961)**
Dividend and directors' bonus of subsidiaries	**-**	**-**	**-**	**(7,770)**	**(7,770)**	**(1,212,305)**	**(1,220,075)**
Transfer to reserves (note 26)	**-**	**-**	**620,003**	**(620,003)**	**-**	**-**	**-**
Acquisition of non-controlling interest (note 4(a))	**-**	**-**	**(386,035)**	**579,522**	**193,487**	**(193,487)**	**-**
Acquisition of additional stake in subsidiary (note 4(c), 19)	**-**	**-**	**396,636**	**(361,385)**	**35,251**	**(93,446)**	**(58,195)**
Balance as at 31 December 2019	**7,159,739**	**(1,684)**	**17,562,729**	**29,441,645**	**54,162,429**	**9,286,994**	**63,449,423**

* Certain amounts shown here do not correspond to the 2018 consolidated financial statements and reflect adjustments made as detailed in Note 2.3(b).

The accompanying notes 1 to 34 forms part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (continued)

For the year ended 31 December 2019

(US$ 1.00 = AED 3.673)

	Attributable to the owners of the Company						
	Share capital AED'000	*Employees' performance share program AED'000*	*Reserves AED'000*	*Retained earnings AED'000*	*Total AED'000*	*Non-controlling interests AED'000*	*Total equity AED'000*
Balance as at 1 January 2018	7,159,739	(1,684)	16,662,287	24,136,875	47,957,217	7,670,113	55,627,330
Effect of changes as detailed in Note 2.3(b)	-	-	-	(525,621)	(525,621)	(44,467)	(570,088)
Balance at 1 January 2018 *(Restated)**	7,159,739	(1,684)	16,662,287	23,611,254	47,431,596	7,625,646	55,057,242
Total comprehensive income for the year							
Net profit for the year *(Restated)*	-	-	-	6,139,196	6,139,196	2,913,683	9,052,879
Other comprehensive income for the year	-	-	(689,593)	-	(689,593)	(325,912)	(1,015,505)
Total comprehensive income for the *year (Restated)*	-	-	(689,593)	6,139,196	5,449,603	2,587,771	8,037,374
Directors' bonus (note 31)	-	-	-	(7,100)	(7,100)	-	(7,100)
Dividend paid to shareholders	-	-	-	(4,009,454)	(4,009,454)	-	(4,009,454)
Dividend and directors' bonus of subsidiaries	-	-	-	(4,147)	(4,147)	(536,253)	(540,400)
Acquisition of non-controlling interest	-	-	-	(464)	(464)	(548)	(1,012)
Movement in non-controlling interests	-	-	-	-	-	67,959	67,959
Transfer to reserves (note 26)	-	-	610,804	(610,804)	-	-	-
Transferred on demerger completion	-	-	-	(820,494)	(820,494)	(995,591)	(1,816,085)
Balance at 31 December 2018	7,159,739	(1,684)	16,583,498	24,297,987	48,039,540	8,748,984	56,788,524

* Certain amounts shown here do not correspond to the 2018 consolidated financial statements and reflect adjustments made as detailed in Note 2.3(b).

The accompanying notes 1 to 34 forms part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 December 2019

	Notes	***(US$ 1.00 = AED 3.673)*** 2019 AED'000	2018 AED'000 (Restated)*
Cash flows from operating activities			
Profit before tax		**7,903,653**	9,041,848
Adjustments for:			
Share of results of associates and joint ventures	15	**128,202**	(49,678)
Depreciation		**1,256,264**	1,200,744
Amortisation of intangible assets	18	**11,956**	11,645
Provision for end-of-service benefits, net	24	**(578)**	103
(Gain) / loss on disposal of property, plant and equipment		**(100,910)**	14,293
Gain on disposal of assets classified as held for sale		**(101,693)**	(400,984)
Gain on disposal of investment properties	17	**(371,682)**	(107,959)
Finance costs	7(b)	**1,162,678**	1,057,015
Finance income	7(a)	**(652,329)**	(835,872)
Provision for doubtful debts / write-off	6	**142,840**	524,121
Gain on disposal of an associate		**-**	(5,428)
Cash from operations before working capital changes:		**9,378,401**	10,449,848
Working capital changes:			
Trade and unbilled receivables		**(2,975,890)**	(4,592,350)
Other assets, receivables, deposits and prepayments		**(1,412,565)**	(2,604,802)
Development properties		**(646,738)**	(1,908,018)
Advances from customers		**(3,472,932)**	(4,296,786)
Trade and other payables		**(526,896)**	3,130,250
Retentions payable		**291,442**	243,642
Assets and liabilities held for sale, net		**(47,121)**	995,256
Income tax, net	8	**30,476**	27,326
Net cash flows from operating activities		**618,177**	1,444,366
Cash flows from investing activities			
Purchase of securities	13	**(3,384,889)**	(2,684,355)
Proceeds from disposal of securities		**3,323,571**	2,218,317
Finance income received		**657,518**	859,548
Dividends received from associates and joint ventures	15	**146,362**	143,527
Additional investments in and loans to associates and joint ventures		**(695,729)**	(316,797)
Advance against investments		**(334,640)**	(1,006,104)
Amounts incurred on investment properties	17	**(2,841,385)**	(3,656,730)
Proceeds from disposal of investment properties		**605,293**	193,878
Proceeds from sale of assets held for sale		**2,235,116**	14,731
Amounts incurred on property, plant and equipment		**(1,452,686)**	(2,640,975)
Proceeds from disposal of property, plant and equipment		**163,645**	33,865
Purchase of intangible assets		**-**	(1,009)
Deposits maturing after three months (including deposits under lien)	9	**322,658**	4,330,138
Cash acquired on business combination		**67,752**	-
Acquisition of an associate	15	**(66,500)**	-
Net cash flows used in investing activities		**(1,253,914)**	(2,511,966)

The accompanying notes 1 to 34 forms part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS (continued)

For the year ended 31 December 2019

	Notes	***2019 AED'000***	*2018 AED'000 (Restated)**
		(US$ 1.00 = AED 3.673)	
Cash flows from financing activities			
Proceeds from interest-bearing loans and borrowings	22	**12,426,583**	5,238,467
Repayment of interest-bearing loans and borrowings	22	**(11,694,585)**	(5,917,036)
Dividends paid (including dividends of subsidiaries paid to non-controlling interests)		**(2,284,586)**	(4,544,954)
Finance costs paid		**(1,182,405)**	(945,900)
Directors' bonus paid (including Directors' bonus of a subsidiary)		**(16,800)**	(12,000)
Proceeds from issuance of Sukuk series 4	23	**1,836,500**	-
Repayment of Sukuk series 2	23	**(1,836,500)**	-
Payment of lease liabilities	2.3(b)	**(44,145)**	-
Acquisition of non-controlling interests	19	**(496,872)**	-
Net cash flows used in financing activities		**(3,292,810)**	(6,181,423)
Decrease in cash and cash equivalents		**(3,928,547)**	(7,249,023)
Net foreign exchange difference		**124,313**	(29,181)
Cash and cash equivalents at the beginning of the year		**8,962,678**	16,240,882
Cash and cash equivalents at the end of the year	9	**5,158,444**	8,962,678

* Certain amounts shown here do not correspond to the 2018 consolidated financial statements and reflect adjustments made as detailed in Note 2.3(b).

The accompanying notes 1 to 34 forms part of these consolidated financial statements.

1 DOMICILE AND ACTIVITIES

Emaar Properties Public Joint Stock Company (the "Company") was established as a public joint stock company by Ministerial Decree number 66 in the year 1997. The Company was established on 23 June 1997 and commenced operations on 29 July 1997. The Company and its subsidiaries constitute the Group (the "Group"). The Company's registered office is at P.O. Box 9440, Dubai, United Arab Emirates ("UAE"). The shares of the Company are traded on the Dubai Financial Market.

The principal activities of the Group are property investment, development and development management, shopping malls and retail, hospitality, property management and utility services and investments in providers of financial services.

The consolidated financial statement was authorised for issue on 30 March 2020.

2.1 BASIS OF PREPARATION

The consolidated financial statements of the Group are prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board ("IASB") and applicable requirements of the United Arab Emirates Federal law No. (2) of 2015.

The consolidated financial statements have been prepared in United Arab Emirates Dirhams (AED), which is the Company's functional and presentation currency, and all values are rounded to the nearest thousand except where otherwise indicated. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency.

The consolidated financial statements have been prepared on a historical cost basis except for derivative financial instruments, financial assets at fair value through other comprehensive income ("FVOCI") and profit or loss ("FVTPL") that have been measured at fair value. Historical cost is generally based on the fair value of the consideration given in exchange for assets.

Certain comparative amounts have been reclassified / restated to conform to the presentation used in these consolidated financial statements. Also refer note 2.3(b).

Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and entities (including special purpose entities) controlled by the Group. Control is achieved where all the following criteria are met:

(a) the Group has power over an entity (i.e., existing rights that give it the current ability to direct the relevant activities of the investee);
(b) the Group has exposure, or rights, to variable returns from its involvement with the entity; and
(c) the Group has the ability to use its power over the entity to affect the amount of the Company's returns.

When the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee
- Rights arising from other contractual arrangements
- The Group's voting rights and potential voting rights

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Subsidiaries
Subsidiaries are fully consolidated from the date of acquisition or incorporation, being the date on which the Group obtains control, and continue to be consolidated until the date when such control ceases. The financial statements of the subsidiaries are prepared for the same reporting period as the Company, using consistent accounting policies. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group's accounting policies. All intra-group balances, transactions, unrealised gains and losses resulting from intra-group transactions and dividends are eliminated in full.

2.1 BASIS OF PREPARATION (continued)

Basis of consolidation (continued)

Subsidiaries (continued)
Non-controlling interests are measured initially at their proportionate share of the acquiree's identifiable net assets at the date of acquisition. Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

Share of comprehensive income/loss within a subsidiary is attributed to the non-controlling interest even if that results in a deficit balance.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group losses control over a subsidiary, it:

- Derecognises the assets (including goodwill) and liabilities of the subsidiary;
- Derecognises the carrying amount of any non-controlling interest;
- Derecognises the cumulative translation differences, recorded in equity;
- Recognises the fair value of the consideration received;
- Recognises the fair value of any investment retained;
- Recognises any surplus or deficit in the consolidated income statement; and
- Reclassifies the Group's share of components previously recognised in other comprehensive income to the consolidated income statement or retained earnings, as appropriate.

Details of the Company's significant subsidiaries as at 31 December 2019 are as follows:

Subsidiary	Place of incorporation	Principal activities	Percentage of effective interest
Emaar Hospitality Group LLC	UAE	Providing hospitality services	100.00%
Emaar Properties Gayrimenkul Gelistirme Anonim Sirketi	Republic of Turkey ("Turkey")	Property investment and development	100.00%
Emaar Libadiye Gayrimenkul Gelistirme A.S.	Republic of Turkey ("Turkey")	Property investment and development, development of retail, shopping malls and hospitality assets	100.00%
Emaar Entertainment LLC	UAE	Leisure and entertainment activities	100.00%
Emaar Hotels & Resorts Group	UAE	Providing hospitality services	100.00%
Manarat Al Manzil Real Estate Investment Limited (LLC)	Kingdom of Saudi Arabia ("KSA")	Property investment and development	100.00%
Emaar Misr for Development SAE and its subsidiaries	Arab Republic of Egypt ("Egypt")	Property investment and development	88.74%
Emaar Malls PJSC and its subsidiaries	UAE	Retail development and management of shopping malls	84.63%
Emaar Development PJSC and its subsidiaries	UAE	Property development and development management	80.00%
Emaar Middle East LLC	Kingdom of Saudi Arabia ("KSA")	Property investment and development	100.00%
Emaar MGF Land Limited and its subsidiaries	India	Property investment and development	70.12%

2.1 BASIS OF PREPARATION (continued)

Basis of consolidation (continued)

Associates and joint ventures
Associates are companies in which the Group has significant influence, but not control, over the financial and operating policies. Joint ventures are those entities over whose activities the Group has joint control, established by contractual agreement and requiring unanimous consent for strategic financial and operating decisions whereby the Group has rights to the net assets of the arrangement, rather than rights to its assets and obligations for its liabilities.

The Group's investment in associates and joint ventures are accounted for using the equity method of accounting. Under the equity method of accounting, investments in associates and joint ventures are carried in the consolidated statement of financial position at cost, plus post-acquisition changes in the Group's share of net assets of the associate and joint venture companies, less any impairment in value.

The consolidated income statement reflects the Group's share of results of its associates and joint ventures. Unrealised gains resulting from transactions between the Group and its associates and joint ventures are eliminated to the extent of the Group's interest in the associates and joint ventures. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

Special purpose entities
Special purpose entities are entities that are created to accomplish a narrow and well-defined objective. The financial information of special purpose entities is included in the Group's consolidated financial statements where the substance of the relationship is that the Group controls the special purpose entity and hence, they are accounted for as subsidiaries.

2.2 SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of these consolidated financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures and the disclosure of contingent liabilities at the reporting date. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the assets or liabilities affected in future periods.

Estimates and their underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised.

The key judgments and estimates and assumptions that have a significant impact on the consolidated financial statements of the Group are discussed below:

Judgments

Timing of satisfaction of performance obligations
The Group is required to assess each of its contracts with customers to determine whether performance obligations are satisfied over time or at a point in time in order to determine the appropriate method of recognising revenue. The Group has assessed that based on the sale and purchase agreements entered into with customers and the provisions of relevant laws and regulations, where contracts are entered into to provide real estate assets to customer, the Group does not create an asset with an alternative use to the Group and usually has an enforceable right to payment for performance completed to date. In these circumstances the Group recognises revenue over time. Where this is not the case revenue is recognised at a point in time.

Determination of transaction prices
The Group is required to determine the transaction price in respect of each of its contracts with customers. In making such judgment the Group assess the impact of any variable consideration in the contract, due to discounts or penalties, the existence of any significant financing component in the contract and any non-cash consideration in the contract.

In determining the impact of variable consideration, the Group uses the "most-likely amount" method in IFRS 15 *Revenue from Contracts with Customers* whereby the transaction price is determined by reference to the single most likely amount in a range of possible consideration amounts.

2.2 SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS (continued)

Judgments (continued)

Transfer of control in contracts with customers
In cases where the Group determines that performance obligations are satisfied at a point in time, revenue is recognised when control over the asset that is the subject of the contract is transferred to the customer. In the case of contracts to sell real estate assets this is generally when the consideration for the unit has been substantially received and there are no impediments in the handing over of the unit to the customer.

Transfer of real estate assets from property, plant and equipment to development properties
The Group sells real estate assets in its ordinary course of business. When the real estate assets which were previously classified as property, plant and equipment are identified for sale in the ordinary course of business, then the assets are transferred to development properties at their carrying value at the date of identification. Sale proceeds from such assets are recognised as revenue in accordance with IFRS 15.

Revenue recognition for turnover rent
The Group recognises income from turnover rent on the basis of audited turnover reports submitted by the tenants. In the absence of audited reports, management makes its own assessment about the tenants achieving or exceeding the stipulated turnover in the lease contracts based on their historical performance.

Classification of investment properties
The Group determines whether a property qualifies as investment property in accordance with IAS 40 *Investment Property*. In making its judgment, the Group considers whether the property generates cash flows largely independently of the other assets held by the Group. The Group has determined that hotels and serviced apartment buildings owned by the Group are to be classified as part of property, plant and equipment rather than investment properties since the Group also operates these assets.

Classification of investments
Management designates at the time of acquisition of securities whether these should be classified as at fair value or amortised cost. In judging whether investments in securities are classified as at fair value or amortised cost, management has considered the detailed criteria for determination of such classification as set out in IFRS 9 *Financial Instruments*.

Significant judgement in determining the lease term of contracts with renewal options
The Group determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The Group has the option, under some of its leases to lease the assets for additional years. The Group applies judgement in evaluating whether it is reasonably certain to exercise the option to renew. That is, it considers all relevant factors that create an economic incentive for it to exercise the renewal. After the commencement date, the Group reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise (or not to exercise) the option to renew.

Consolidation of subsidiaries
The Group has evaluated all the investee entities including special purpose entities to determine whether it controls the investee as per the criteria laid out by IFRS 10: *Consolidated Financial Statements*. The Group has evaluated, amongst other things, its ownership interest, the contractual arrangements in place and its ability and the extent of its involvement with the relevant activities of the investee entities to determine whether it controls the investee.

Estimations and assumptions

Valuation of investment properties
The Group hires the services of third party professionally qualified valuers to obtain estimates of the market value of investment properties using recognised valuation techniques for the purposes of their impairment review and disclosures in the consolidated financial statements.

Investment properties
The Group has elected to adopt the cost model for investment properties. Accordingly, investment properties are carried at cost less accumulated depreciation and any accumulated impairment losses.

2.2 SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS (continued)

Estimations and assumptions (continued)

Impairment of trade, unbilled receivables and other receivables
An estimate of the collectible amount of trade, unbilled and other receivables is made when collection of the full amount is no longer probable. For individually significant amounts, this estimation is performed on an individual basis. Amounts which are not individually significant, but which are past due, are assessed collectively and a provision applied based on expected credit losses on such receivables.

Useful lives of property, plant and equipment, investment properties and intangible assets
The Group's management determines the estimated useful lives of its property, plant and equipment, investment properties and intangible assets for calculating depreciation. This estimate is determined after considering the expected usage of the asset or physical wear and tear. The management periodically reviews estimated useful lives and the depreciation / amortisation method to ensure that the method and period of depreciation / amortisation are consistent with the expected pattern of economic benefits from these assets.

Measurement of progress when revenue is recognised over time
The Group has elected to apply the input method to measure the progress of performance obligations where revenue is recognised over time. The Group considers that the use of the input method which requires revenue recognition on the basis of the Group's efforts to the satisfaction of the performance obligation provides the best reference of revenue actually earned. In applying the input method, the Group estimates the cost to complete the projects in order to determine the amount of revenue to be recognised.

Cost to complete the projects
The Group estimates the cost to complete the projects in order to determine the cost attributable to revenue being recognised. These estimates include the cost of providing infrastructure, potential claims by contractors as evaluated by the project consultant and the cost of meeting other contractual obligations to the customers.

Taxes
The Group is subject to income and capital gains taxes in certain jurisdictions. Significant judgment is required to determine the total provision for current and deferred taxes. The Group established provisions, based on reasonable estimates, for possible consequences of audits by the tax authorities of the respective countries in which it operates. The amount of such provision is based on various factors, such as experience of previous tax audits and differing interpretations of tax regulations by the taxable entity and the responsible tax authority. Such differences of interpretations may arise on a wide variety of issues depending on the conditions prevailing in the respective domicile of the Group companies.

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

Impairment of non-financial assets
The Group assesses whether there are any indicators of impairment for all non-financial assets at each reporting date. The non-financial assets are tested for impairment when there are indicators that the carrying amounts may not be recoverable. When value in use calculations are undertaken, management estimates the expected future cash flows from the asset or cash-generating unit and chooses a suitable discount rate in order to calculate the present value of those cash flows.

Development properties are stated at the lower of cost and estimated net realisable value. The cost of work-in-progress comprises construction costs and other related direct costs. Net realisable value is the estimated selling price in the ordinary course of business, less cost of completion and selling expenses.

Fair value measurement of financial instruments
When the fair values of financial assets and financial liabilities recorded in the statement of financial position cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the discounted cash flow (DCF) model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility.

2.3 CHANGES IN THE ACCOUNTING POLICIES AND DISCLOSURES

(a) Standards, interpretations and amendments in issue but not effective

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

- IFRS 10 and IAS 28 - Sale or Contribution of Assets between an investor and its Associate or Joint Venture (the effective date has been deferred indefinitely, but an entity that early adopts the amendments must apply them prospectively);
- IFRS 17 - Insurance Contracts (amendments are effective for annual period beginning on or after 1 January 2021);
- IAS 1 and IAS 8 - Amendments to IAS 1 Presentation of Financial Statements and IAS 8 to align the definition of 'material' across the standards and to clarify certain aspects of the definition (effective for annual period beginning on or after 1 January 2020);
- IFRS 3 - Definition of a Business (Amendment to IFRS 3) (effective for annual period beginning on or after 1 January 2020); and
- Amendments to References to Conceptual Framework in IFRS Standards (effective for annual period beginning on or after 1 January 2020).

The Group does not expect the adoption of the above new standards, amendments and interpretations to have a material impact on the future consolidated financial statements of the Group.

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

The accounting policies adopted in the preparation of the consolidated financial statements are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2018, except for the adoption of new standards and interpretations effective as of 1 January 2019. Although these new standards and amendments apply for the first time in 2019, they do not have a material impact on the annual consolidated financial statements of the Group or the consolidated financial statements of the Group except as mentioned below. The nature and the impact of each new standard or amendment is described below:

IFRIC Interpretation 23 Uncertainty over Income Tax Treatment
The Interpretation addresses the accounting for income taxes when tax treatments involve uncertainty that affects the application of IAS 12 Income Taxes. It does not apply to taxes or levies outside the scope of IAS 12.

Amendments to IFRS 9: Prepayment Features with Negative Compensation
Under IFRS 9, a debt instrument can be measured at amortised cost or at fair value through other comprehensive income, provided that the contractual cash flows are 'solely payments of principal and interest on the principal amount outstanding' (the SPPI criterion) and the instrument is held within the appropriate business model for that classification. The amendments to IFRS 9 clarify that a financial asset passes the SPPI criterion regardless of an event or circumstance that causes the early termination of the contract and irrespective of which party pays or receives reasonable compensation for the early termination of the contract.

Amendments to IAS 28: Long-term interests in associates and joint ventures
The amendments clarify that an entity applies IFRS 9 to long-term interests in an associate or joint venture to which the equity method is not applied but that, in substance, form part of the net investment in the associate or joint venture (long-term interests). This clarification is relevant because it implies that the expected credit loss model in IFRS 9 applies to such long-term interests. The amendments also clarified that, in applying IFRS 9, an entity does not take account of any losses of the associate or joint venture, or any impairment losses on the net investment, recognised as adjustments to the net investment in the associate or joint venture that arise from applying IAS 28 Investments in Associates and Joint Ventures.

2.3 CHANGES IN THE ACCOUNTING POLICIES AND DISCLOSURES (continued)

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

Annual Improvements 2015-2017 Cycle

IFRS 3 Business Combinations
The amendments clarify that, when an entity obtains control of a business that is a joint operation, it applies the requirements for a business combination achieved in stages, including remeasuring previously held interests in the assets and liabilities of the joint operation at fair value.

IFRS 11 Joint Arrangements
A party that participates in, but does not have joint control of, a joint operation might obtain joint control of the joint operation in which the activity of the joint operation constitutes a business as defined in IFRS.

IAS 12 Income Taxes
The amendments clarify that the income tax consequences of dividends are linked more directly to past transactions or events that generated distributable profits than to distributions to owners.

IAS 23 Borrowing Costs
The amendments clarify that an entity treats as part of general borrowings any borrowing originally made to develop a qualifying asset when substantially all of the activities necessary to prepare that asset for its intended use or sale are complete.

These amendments / improvements had no impact on the consolidated financial statements of the Group.

Adoption of IFRS 16 Leases and restatement of comparative balances
IFRS 16 supersedes IAS 17 *Leases*, IFRIC 4 *Determining whether an Arrangement contains a Lease*, SIC-15 *Operating Leases-Incentives* and SIC-27 *Evaluating the Substance of Transactions Involving the Legal Form of a Lease*. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for most leases under a single on-balance sheet model.

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

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

The Group has lease contracts for hotels, residential and commercial properties. Before the adoption of IFRS 16, the Group classified each of its leases (as lessee) at the inception date as an operating lease. A lease was classified as a finance lease if it transferred substantially all of the risks and rewards incidental to ownership of the leased asset to the Group; otherwise it was classified as an operating lease. In an operating lease, the leased property was not capitalised and the lease payments were recognised as rent expense in the consolidated income statement on a straight-line basis over the lease term. Any prepaid rent and accrued rent were recognised under Other assets, receivables, deposits and prepayments and trade and other payables, respectively.

Upon adoption of IFRS 16, the Group applied a single recognition and measurement approach for all leases that it is the lessee, except for short-term leases and leases of low-value assets. The Group recognised lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets. In accordance with the modified retrospective method of adoption, the Group applied IFRS 16 at the date of initial application and accordingly, the cumulative effect of initially applying the standard (if any) is recognised as an adjustment to the opening balance of retained earnings.

The Group has reassessed the existing sub-lease arrangements which was previously recognised as ‘operating lease’ under IAS 17 based on the remaining contractual terms of the head lease and recorded as a ‘finance lease’ under IFRS 16. The gain arising on finance lease amounting to AED 41,565 thousands and AED 3,516 thousands has been recorded as transition adjustments in the opening balances of retained earnings and non-controlling interests respectively.

2.3 CHANGES IN THE ACCOUNTING POLICIES AND DISCLOSURES (continued)

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

Adoption of IFRS 16 Leases and restatement of comparative balances (continued)
Set out below, are the carrying amounts of the Group's right-of-use assets and lease liabilities and the movements during the year:

	Right-of-use assets AED'000	*Lease liabilities AED'000*
As at 1 January 2019	**627,816**	**396,088**
Additions	**305,487**	**358,432**
Depreciation expense	**(109,955)**	**-**
Interest expense	**-**	**36,775**
Payments	**-**	**(44,145)**
As at 31 December 2019	**823,348**	**747,150**

When measuring lease liabilities for leases that were classified as operating leases, the Group discounted lease payments using its incremental borrowing rate at 1 January 2019. The average rate applied is 4% to 8%.

Restatement of comparative balances and changes in the accounting policy
The Group has adopted IFRS 16 and reassessed the recoverability of lease rents paid in advance by one of its subsidiary operating in the Kingdom of Saudi Arabia. Based on the revised business model adopted by the subsidiary in the year 2017, the Group recorded impairment loss of advance lease rent by restating the comparative balances.

Based on the requirements of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors, management had considered the effect of the accounting policy retrospectively and restated the comparative balances in 2018 consolidated financial statements.

At 31 December 2018	*As previously reported AED'000*	*Effect of restatements AED'000*	*As restated AED'000*
Consolidated Statement of Financial Position			
Assets			
Other assets, receivables, deposits and prepayments	14,528,558	(536,986)	13,991,572
Equity			
Retained earnings	24,792,451	(494,464)	24,297,987
Non-controlling interests	8,791,506	(42,522)	8,748,984
At 1 January 2018			
Consolidated Statement of Financial Position			
Assets			
Other assets, receivables, deposits and prepayments	11,075,879	(570,088)	10,505,791
Equity			
Retained earnings	24,136,875	(525,621)	23,611,254
Non-controlling interests	7,670,113	(44,467)	7,625,646

2.3 CHANGES IN THE ACCOUNTING POLICIES AND DISCLOSURES (continued)

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

Restatement of comparative balances and changes in the accounting policy (continued)

	As previously reported AED'000	*Effect of restatements AED'000*	*As restated AED'000*
Consolidated income statement			
Impact on net profit*:*			
For the year ended 31 December 2018	9,019,777	33,102	9,052,879
Impact on earnings per share*:*			
For the year ended 31 December 2018 (AED)	0.85	0.01	0.86

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Revenue recognition

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

Step 1. Identify the contract(s) with a customer: A contract is defined as an agreement between two or more parties that creates enforceable rights and obligations and sets out the criteria for every contract that must be met.
Step 2. Identify the performance obligations in the contract: A performance obligation is a promise in a contract with a customer to transfer a good or service to the customer.
Step 3. Determine the transaction price: The transaction price is the amount of consideration to which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.
Step 4. Allocate the transaction price to the performance obligations in the contract: For a contract that has more than one performance obligation, the Group will allocate the transaction price to each performance obligation in an amount that depicts the amount of consideration to which the Group expects to be entitled in exchange for satisfying each performance obligation.
Step 5. Recognise revenue when (or as) the entity satisfies a performance obligation.

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

1. The customer simultaneously receives and consumes the benefits provided by the Group's performance as the Group performs; or
2. The Group's performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or
3. The Group's performance does not create an asset with an alternative use to the Group and the entity has an enforceable right to payment for performance completed to date.

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

When the Group satisfies a performance obligation by delivering the promised goods or services it creates a contract asset based on the amount of consideration earned by the performance. Where the amount of consideration received from a customer exceeds the amount of revenue recognised this gives rise to a contract liability.

Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes and duty. The Group assesses its revenue arrangements against specific criteria to determine if it is acting as principal or agent. The Group has concluded that it is acting as a principal in all of its revenue arrangements.

Revenue is recognised in the consolidated income statement to the extent that it is probable that the economic benefits will flow to the Group and the revenue and costs, if applicable, can be measured reliably.

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Revenue recognition (continued)

Lease to buy scheme
Sales under the lease to buy scheme are accounted for as follows:

- Rental income during the period of lease is accounted for on a straight-line basis until such time the lessee exercises its option to purchase;
- When the lessee exercises its option to purchase, a sale is recognised in accordance with the revenue recognition policy for sale of property as stated above; and
- When recognising the sale, revenue is the amount payable by the lessee at the time of exercising the option to acquire the property.

Revenue recognition for turnover rent
Income from turnover rent is recognised based on the audited turnover reports submitted by the tenants. In the absence of audited reports, management makes its own assessment about the tenants achieving or exceeding the stipulated turnover in the lease contracts based on their historical performance.

Development services
Revenue from rendering of development management services is recognised when the outcome of the transaction can be estimated reliably, by reference to the stage of completion of the development obligation 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.

Rental income from lease of investment property
Rental income arising from operating leases on investment properties is recognised, net of discount, in accordance with the terms of lease contracts over the lease term on a straight-line basis, except where an alternative basis is more representative of the pattern of benefits to be derived from the leased asset.

Customer loyalty programme
The Group operates a loyalty points programme, ‘U by Emaar’, which allows customers to accumulate points when they spend in any of the Group’s hotel or leisure units. The loyalty points give rise to a separate performance obligation as they provide a material right to the customer. A portion of the transaction price is allocated to the loyalty points awarded to customers based on relative stand-alone selling price and recognised as a contract liability until the points are redeemed. Revenue is recognised upon redemption of products by the customer. When estimating the stand-alone selling price of the loyalty points, the Group considers the likelihood that the customer will redeem the points. The Group updates its estimates of the points that will be redeemed on a quarterly basis and any adjustments to the contract liability balance are charged against revenue.

Assets held for sale

Non-current assets, or disposal groups comprising assets and liabilities, are classified as held for sale if it is highly probable that they will be recovered primarily through sale rather than through continuing use.

Such assets, or disposal groups, are generally measured at the lower of their carrying amount and fair value less costs to sell. Any impairment loss on a disposal group is allocated first to goodwill, and then to the remaining assets and liabilities on a pro rata basis, except that no loss is allocated to inventories, financial assets, deferred tax assets, employee benefit assets or investment property , which continue to be measured in accordance with the Group’s other accounting policies. Impairment losses on initial classification as held for sale or held-for distribution and subsequent gains and losses on remeasurement are recognised in profit or loss.

Once classified as held-for-sale, intangible assets and property, plant and equipment are no longer amortised or depreciated and any equity-accounted investee is no longer equity accounted.

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

All other borrowing costs are recognised in the consolidated income statement in the year in which they are incurred.

Interest income

Interest income is recognised as the interest accrues using the effective interest method, under which the rate used exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of the financial asset.

Income tax

Taxation is provided in accordance with the relevant fiscal regulations of the countries in which the Group operates.

Current tax is the expected tax payable/receivable on the taxable income/loss for the year, using tax rates enacted or substantially enacted as at the reporting date, and any adjustments to the tax receivable/payable in respect of prior years.

Income tax relating to items recognised directly in other comprehensive income or equity is recognised directly in other comprehensive income or equity and not in the consolidated income statement.

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

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on laws that have been enacted as at the reporting date.

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

- when the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss;

- in respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

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

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

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

The Group offsets deferred tax assets and deferred tax liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Property, plant and equipment

Property, plant and equipment are measured at cost, which includes capitalised borrowing costs, less accumulated depreciation and any impairment in value. Depreciation is calculated on a straight-line basis over the estimated useful lives as follows:

Leasehold improvements	2 - 15 years
Sales centres (included in land and buildings)	1 - 5 years
Buildings	10 - 45 years
Computers and office equipment	2 - 5 years
Plant, machinery and heavy equipment	3 - 20 years
Motor vehicles	3 - 5 years
Furniture and fixtures	2 - 10 years
Leisure, entertainment and other assets	2 - 25 years

No depreciation is charged on land and capital work-in-progress. The useful lives, depreciation method and residual values are reviewed periodically to ensure that the method and period of depreciation are consistent with the expected pattern of economic benefits from these assets.

Expenditure incurred to replace a component of an item of property, plant and equipment that is accounted for separately is capitalised and the carrying amount of the component that is replaced is written off. Other subsequent expenditure is capitalised only when it increases future economic benefits of the related item of property, plant and equipment. All other expenditure is recognised in the consolidated income statement as the expense is incurred.

Property, plant and equipment are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of property, plant and equipment may not be recoverable. Whenever the carrying amount of property, plant and equipment exceeds their recoverable amount, an impairment loss is recognised in the consolidated income statement. The recoverable amount is the higher of fair value less costs to sell of property, plant and equipment and the value in use. The fair value less costs to sell is the amount obtainable from the sale of property, plant and equipment in an arm’s length transaction while value in use is the present value of estimated future cash flows expected to arise from the continuing use of property, plant and equipment and from its disposal at the end of its useful life.

Reversal of impairment losses other than goodwill impairment recognised in the prior years are recorded when there is an indication that the impairment losses recognised for the property, plant and equipment no longer exist or have reduced.

Right-of-use assets

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

Investment properties

Properties held for rental or capital appreciation purposes are classified as investment properties. Investment properties are measured at cost less any accumulated depreciation and any accumulated impairment losses.

Depreciation is charged on a straight-line basis over the estimated useful lives as follows:

Buildings	10 - 45 years
Furniture, fixtures and others	4 - 10 years
Plant and equipment	3 - 10 years

No depreciation is charged on land and capital work-in-progress.

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Investment properties (continued)

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

Properties are transferred from investment properties to development properties when and only when, there is a change in use, evidenced by commencement of development with a view to sell. Such transfers are made at the carrying value of the properties at the date of transfer.

The Group determines at each reporting date whether there is any objective evidence that the investment properties are impaired. Whenever the carrying amount of an investment property exceeds their recoverable amount, an impairment loss is recognised in the consolidated income statement. The recoverable amount is the higher of investment property's fair value less cost to sell and the value in use.

Reversal of impairment losses recognised in the prior years is recorded when there is an indication that the impairment losses recognised for the investment property no longer exist or have reduced.

Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses. Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. The useful lives of intangible assets are assessed as either finite or indefinite.

Intangible assets with finite lives are amortised over the estimated useful life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the consolidated income statement.

Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

Amortisation is charged on a straight-line basis over the estimated useful lives as follows:

Customers relationship	5 years
Software	3 years

Goodwill and Brand is not amortised.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the consolidated income statement when the asset is derecognised.

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Development properties

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

- Freehold and leasehold rights for land;
- Amounts paid to contractors for construction; and
- Borrowing costs, planning and design costs, costs of site preparation, professional fees for legal services, property transfer taxes, construction overheads and other related costs.

Net realisable value is the estimated selling price in the ordinary course of the business, based on market prices at the reporting date and discounted for the time value of money if material, less costs to completion and the estimated costs of sale.

The cost of development properties recognised in the consolidated income statement on sale is determined with reference to the specific costs incurred on the property sold and an allocation of any non-specific costs based on the relative size of the property sold.

The management reviews the carrying values of the development properties on an annual basis.

Inventories

Inventories represent consumables and other goods relating to hospitality and retail business segments of the Group. Inventories are stated at the lower of cost and net realisable value with due allowance for any obsolete or slow-moving items.

Costs are those expenses incurred in bringing each product to its present location and condition on a weighted average cost basis. Net realisable value is based on estimated selling price less any further costs expected to be incurred on disposal or completion.

Investment in associates and joint ventures

The consolidated income statement reflects the Group's share of the results of operations of its associates and joint ventures after tax and non-controlling in the subsidiaries of the associate. Where there has been a change recognised directly in the other comprehensive income or equity of an associate, the Group recognises its share of any changes, when applicable, in the consolidated statement of comprehensive income or the consolidated statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and its associates or joint ventures are eliminated to the extent of the interest in the associate or joint venture.

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

After application of the equity method, the Group determines whether it is necessary to recognise an impairment loss on its investment in its associates or joint ventures. At each reporting date, the Group determines whether there is any objective evidence that the investment in the associate or joint venture 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 impairment losses in the consolidated income statement.

Upon loss of significant influence over the associate or joint control over the joint venture, the Group measures and recognises any retained investment at its fair value. Any differences between the carrying amount of the associate or joint venture upon loss of significant influence and the fair value of the retained investment and proceeds from disposal is recognised in the consolidated income statement. When the remaining investment in joint venture constitutes significant influence, it is accounted for as an investment in associate.

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Derivative financial instruments

The Group enters into derivative financial instruments to manage its exposure to interest rate risk and foreign exchange rate risk, including foreign exchange forward contracts. Derivatives are initially recognised at fair value at the date the derivative contract is entered into and are subsequently remeasured to their fair value at the end of each reporting date. The resulting gain or loss is recognised in the consolidated income statement immediately, unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in the consolidated income statement depends on the nature of the hedge relationship. The Group designates derivatives as hedges of interest rate risk and foreign currency risk of firm commitments (cash flow hedges).

A derivative with a positive fair value is recognised as a financial asset; a derivative with a negative fair value is recognised as a financial liability.

Hedge accounting
The Group designates certain hedging instruments as either fair value hedges or cash flow hedges. Hedges of interest rate risk and foreign exchange risk on firm commitments are accounted for as cash flow hedges. At the inception of the hedge relationship, the Group documents the relationship between the hedging instrument and the hedged item, along with its risk management objectives and its strategy for undertaking various hedge transactions. Furthermore, at the inception of the hedge and on an ongoing basis, the Group documents whether the hedging instrument is highly effective in offsetting changes in fair values or cash flows of the hedged item.

The documentation includes identification of the hedging instrument, the hedged item, the nature of the risk being hedged and how the Group will assess whether the hedging relationship meets the hedge effectiveness requirements (including the analysis of sources of hedge ineffectiveness and how the hedge ratio is determined).

A hedging relationship qualifies for hedge accounting if it meets all of the following effectiveness requirements:

- There is ‘an economic relationship’ between the hedged item and the hedging instrument;
- The effect of credit risk does not ‘dominate the value changes’ that result from that economic relationship;
- The hedge ratio of the hedging relationship is the same as that resulting from the quantity of the hedged item that the Group actually hedges and the quantity of the hedging instrument that the Group actually uses to hedge that quantity of hedged item. However, that designation shall not reflect an imbalance between the weightings of the hedged item and the hedging instrument that would create hedge ineffectiveness (irrespective of whether recognised or not) that could result in an accounting outcome that would be inconsistent with the purpose of hedge accounting.

Hedges that meet all the qualifying criteria for hedge accounting are accounted for and further described in the below sections.

Fair value hedges
The change in the fair value of a hedging instrument is recognised in the consolidated income statement as other expense. The change in the fair value of the hedged item attributable to the risk hedged is recorded as part of the carrying value of the hedged item and is also recognised in the consolidated income statement as other expense.

For fair value hedges relating to items carried at amortised cost, any adjustment to carrying value is amortised through profit or loss over the remaining term of the hedge using the effective interest rate (EIR) method. The EIR amortisation may begin as soon as an adjustment exists and no later than when the hedged item ceases to be adjusted for changes in its fair value attributable to the risk being hedged.

If the hedged item is derecognised, the unamortised fair value is recognised immediately in consolidated income statement.

When an unrecognised firm commitment is designated as a hedged item, the subsequent cumulative change in the fair value of the firm commitment attributable to the hedged risk is recognised as an asset or liability with a corresponding gain or loss recognised in consolidated income statement.

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Derivative financial instruments (continued)

Cash flow hedges

The effective portion of the gain or loss on the hedging instrument is recognised in consolidated statement of comprehensive income in the cash flow hedge reserve, while any ineffective portion is recognised immediately in the consolidated income statement. The cash flow hedge reserve is adjusted to the lower of the cumulative gain or loss on the hedging instrument and the cumulative change in fair value of the hedged item.

The ineffective portion relating to foreign currency contracts is recognised as other expense and the ineffective portion relating to commodity contracts is recognised in other operating income or expenses.

The Group designates only the spot element of forward contracts as a hedging instrument. The forward element is recognised in consolidated statement of comprehensive income and accumulated in a separate component of equity under cost of hedging reserve.

The amounts accumulated in consolidated statement of comprehensive income are accounted for, depending on the nature of the underlying hedged transaction. If the hedged transaction subsequently results in the recognition of a non-financial item, the amount accumulated in equity is removed from the separate component of equity and included in the initial cost or other carrying amount of the hedged asset or liability. This is not a reclassification adjustment and will not be recognised in other comprehensive income for the period. This also applies where the hedged forecast transaction of a non-financial asset or non-financial liability subsequently becomes a firm commitment for which fair value hedge accounting is applied.

For any other cash flow hedges, the amount accumulated in consolidated statement of comprehensive income is reclassified to consolidated income statement as a reclassification adjustment in the same period or periods during which the hedged cash flows affect profit or loss.

If cash flow hedge accounting is discontinued, the amount that has been accumulated in consolidated statement of comprehensive income must remain in accumulated OCI if the hedged future cash flows are still expected to occur. Otherwise, the amount will be immediately reclassified to consolidated income statement as a reclassification adjustment. After discontinuation, once the hedged cash flow occurs, any amount remaining in accumulated OCI must be accounted for depending on the nature of the underlying transaction as described above.

Hedge of net investments in foreign operations

Hedges of a net investment in a foreign operation, including a hedge of a monetary item that is accounted for as part of the net investment, are accounted for in a way similar to cash flow hedges. Gains or losses on the hedging instrument relating to the effective portion of the hedge are recognised as other comprehensive income while any gains or losses relating to the ineffective portion are recognised in the consolidated income statement. On disposal of the foreign operation, the cumulative value of any such gains or losses recorded in equity is transferred to the consolidated income statement.

Put option over non-controlling interests

Written put option on the shares of a subsidiary held by non-controlling interests give rise to a financial liability. The liability that may become payable under the arrangement is initially recognised at present value of the redemption amount with a corresponding entry directly in equity. Subsequent changes to the value of the liability are recognised in the consolidated income statement.

Financial assets

All financial assets are recognised and derecognised on trade date when the purchase or sale of a financial asset is made under a contract whose terms require delivery of the financial asset within the timeframe established by the market concerned. Financial assets are initially measured at cost, plus transaction costs, except for those financial assets classified as at fair value through other comprehensive income or profit or loss, which are initially measured at fair value. Trade receivables are initially recognised when they are originated. Trade and unbilled receivables that do not contain a significant financing component or for which the Group has applied the practical expedient are measured at the transaction price determined under IFRS 15. All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value.

The fair value of financial instruments that are actively traded in organised financial markets is determined by reference to quoted market bid prices for assets and offer prices for liabilities, at the close of business on the reporting date. If quoted market prices are not available, reference can also be made to broker or dealer price quotations.

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial assets (continued)

The fair value of floating rate and overnight deposits with credit institutions is their carrying value. The carrying value is the cost of the deposit and accrued interest. The fair value of fixed interest-bearing deposits is estimated using discounted cash flow techniques. Expected cash flows are discounted at current market rates for similar instruments at the reporting date.

Classification of financial assets
The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

For the purposes of classifying financial assets, an instrument is an 'equity instrument' if it is a non-derivative and meets the definition of 'equity' for the issuer (under IAS 32: Financial Instruments: Presentation) except for certain non-derivative puttable instruments presented as equity by the issuer. All other non-derivative financial assets are 'debt instruments'.

Equity investments
All financial assets that are equity investments are measured at fair value either through other comprehensive income or through profit or loss. This is an irrevocable choice that the Group has made on adoption of IFRS 9 or will make on subsequent acquisition of equity investments unless the equity investments are held for trading, in which case, they must be measured at fair value through profit or loss. Gain or loss on disposal of equity investments is not recycled. Dividend income for all equity investments is recorded through the consolidated income statement when the right of payment has been established, except when the Group benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI. Equity instruments designated at fair value through P&L and OCI are not subject to impairment assessment.

The Group elected to classify irrevocably its non-listed equity investments as financial assets measured at fair value through other comprehensive income.

Debt instruments
Debt instruments are also measured at fair value through other comprehensive income (OCI) unless they are classified at amortised cost. They are classified at amortised cost only if:

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

Cash and cash equivalents
For the purpose of the statement of cash flows, cash and cash equivalents consist of cash in hand, bank balances and short-term deposits with an original maturity of three months or less, net of outstanding bank overdrafts.

Trade and unbilled receivables
Trade receivables are stated at original invoice amount (unless there is a significant financing component) less expected credit losses. When a trade receivable is uncollectible, it is written off against provision for doubtful debts. Subsequent recoveries of amounts previously written off are credited to the consolidated income statement.

Services rendered but not billed at the reporting date are accrued as per the terms of the agreements as unbilled receivables.

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial assets (continued)

Foreign exchange gains and losses
The fair value of financial assets denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of the reporting period. The foreign exchange component forms part of its fair value gain or loss. For financial assets classified as at fair value through profit or loss, the foreign exchange component is recognised in the consolidated income statement. For financial assets designated at fair value through other comprehensive income any foreign exchange component is recognised in the consolidated income statement and other comprehensive income. For foreign currency denominated debt instruments classified at amortised cost, the foreign exchange gains and losses are determined based on the amortised cost of the asset and are recognised in the 'other gains and losses' line item in the consolidated income statement.

Derecognition of financial assets
A financial asset (or, when applicable, a part of a financial asset or part of a group of similar financial assets) is derecognised when:

- The rights to receive cash flows from the asset have expired; or
- The Group retains the right to receive cash flows from the asset, but has assumed an obligation to pay them in full without material delay to a third party under a 'pass-through' arrangement, and
- The Group has transferred its rights to receive cash flows from the asset and either:

  - has transferred substantially all the risks and rewards of the asset, or
  - has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its right to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the asset is recognised to the extent of the Group's continuing involvement in the asset. Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

Impairment of financial assets
The Group recognises an allowance for expected credit losses ("ECL") for all debt instruments and contract assets not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive. The shortfall is then discounted at an approximation to the asset's original effective interest rate.

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

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

For trade and unbilled receivables and other receivables, the Group applies a simplified approach in calculating ECLs based on lifetime expected credit losses. The Group has established a provision matrix that is based on the Group's historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment. The expected credit losses are recognised in the consolidated income statement.

The Group consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

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

- significant financial difficulty of the debtor;
- a breach of contract such as a default or being more than 90 days past due;
- the restructuring of a loan or advance by the Group on terms that the Group would not consider otherwise;
- it is probable that the debtor will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for a security because of financial difficulties.

Impairment of non-financial assets

The Group assesses at each reporting date whether there is an indication that a non-financial asset (other than inventories, contract assets and deferred tax assets) may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU. In determining fair value less costs to sell, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded entities or other available fair value indicators.

Impairment losses are recognised in the consolidated income statement in those expense categories consistent with the function of the impaired asset. They are allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets in the CGU on a pro rata basis.

For assets excluding goodwill, an assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the Group estimates the asset's or cash-generating unit's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the consolidated income statement.

Financial liabilities and equity instruments issued by the Group

Debt and equity instruments are classified as either financial liabilities or as equity instruments in accordance with the substance of the contractual agreements. Financial liabilities within the scope of IFRS 9 are classified as financial liabilities at fair value through profit or loss, loans and borrowings, or as derivative instrument as appropriate. The Group determines the classification of its financial liabilities at the initial recognition.

Trade and other payables
Liabilities are recognised for amounts to be paid in the future for goods or services received, whether billed by the supplier or not.

Lease liabilities
At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating a lease, if the lease term reflects the Group exercising the option to terminate. The variable lease payments that do not depend on an index or a rate are recognised as expense in the period on which the event or condition that triggers the payment occurs.

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Lease liabilities (continued)
In calculating the present value of lease payments, the Group uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the in-substance fixed lease payments or a change in the assessment to purchase the underlying asset.

Loans and borrowings
Term loans are initially recognised at the fair value of the consideration received less directly attributable transaction costs.

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the effective interest rate method. Gains and losses are recognised in the consolidated income statement when the liabilities are derecognised as well as through the amortisation process.

Sukuk
The sukuk are stated at amortised cost using the effective profit rate method. Profit attributable to the sukuk is calculated by applying the prevailing market profit rate, at the time of issue, for similar sukuk instruments and any difference with the profit distributed is added to the carrying amount of the sukuk. Any directly attributable transaction costs are allocated to the liability component.

Other financial liabilities
Other financial liabilities are initially measured at fair value, net of transaction costs and are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or, where appropriate, a shorter period.

Derecognition of financial liabilities
The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or they expire. The Group also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value. On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in consolidated income statement.

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

Business combinations and goodwill

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, measured at acquisition date fair value. For each business combination, the acquirer measures the non-controlling interest in the acquiree either at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition costs incurred are expensed (except if related to issue of debt or equity).

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

If the business combination is achieved in stages, the acquisition date fair value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value as at the acquisition date through the consolidated income statement. Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration which is deemed to be an asset or liability will be recognised in accordance with IFRS 9: *Financial Instruments* in the consolidated statement of comprehensive income. If the contingent consideration is classified as equity, it shall not be remeasured until it is finally settled within equity.

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Business combinations and goodwill (continued)

Goodwill is initially measured at cost being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interest over the fair value of net identifiable tangible and intangible assets acquired and liabilities assumed. If the consideration is lower than the fair value of the net assets of the subsidiary acquired, the difference is recognised in the consolidated income statement. After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

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

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

Impairment is determined for goodwill by assessing the recoverable amount of each cash-generating unit to which the goodwill relates. When the recoverable amount of the cash-generating unit is less than the carrying amount, an impairment loss is recognised in the consolidated income statement. Impairment losses relating to goodwill cannot be reversed in future periods.

Contingent liabilities recognised in a business combination

A contingent liability recognised in a business combination is initially measured at its fair value. Subsequently, it is measured at the higher of the amount that would be recognised in accordance with the requirements for provisions above or the amount initially recognised less (when appropriate) cumulative amortisation recognised in accordance with the requirements for revenue recognition.

End-of-service benefits

The Group provides end-of-service benefits to its employees. The entitlement to these benefits is usually based upon the employees' final salary and length of service, subject to the completion of a minimum service period. The expected costs of these benefits are accrued over the period of employment.

With respect to its eligible UAE and GCC national employees, the Group makes contributions to a pension fund established by the UAE General Pension and Social Security Authority calculated as a percentage of the employees' salaries. The Group's obligations are limited to these contributions, which are expensed when due.

Provisions

Provisions are recognised when the Group has a legal or constructive obligation 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 the amount can be reliably estimated. When 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. The expense relating to any provision is presented in the consolidated income statement net of any reimbursement.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation at the end of the reporting period, using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation.

Provisions are reviewed at each statement of financial position 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.

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Share-based payment transactions

Employees (including senior executives) of the Group also receive remuneration in the form of share-based payment transactions, whereby employees render services as consideration for equity instruments ("equity settled transactions"). The cost of equity settled transactions with employees is measured by reference to the fair value at the date at which the awards are granted. The cost of equity settled transactions with employees is recognised, together with a corresponding increase in equity, over the period in which the performance conditions are fulfilled ending on the date on which the employees become fully entitled to the award ("vesting date"). The cumulative expense recognised for equity settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest. The charge or credit to the consolidated income statement for a period represents the movement in cumulative expense recognised as at the beginning and end of that period.

Under the Company's policy, awards, which represent the right to purchase the Company's ordinary shares at par, are allocated to eligible employees (including executive directors) of the Company.

Foreign currency translations

The consolidated financial statements are presented in AED which is the functional currency of the Company. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency.

Transactions in foreign currencies are recorded in the functional currency at the rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the reporting date. All differences are taken to the consolidated income statement. Any goodwill arising on the acquisition of a foreign operation and any fair value adjustments to the carrying amounts of assets and liabilities arising on the acquisition are treated as assets and liabilities of the foreign operation and translated at the closing rate.

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on acquisition, are translated into AED at the exchange rates at the reporting date. The income and expenses of foreign operations are translated into AED at the exchange rates at the dates of the transactions. Foreign currency differences are recognised in OCI and accumulated in the translation reserve, except to the extent that the translation difference is allocated to NCI.

When a foreign operation is disposed of in its entirety or partially such that control, significant influence or joint control is lost, the cumulative amount in the translation reserve related to that foreign operation is reclassified to profit or loss as part of the gain or loss on disposal. If the Group disposes of part of its interest in a subsidiary but retains control, then the relevant proportion of the cumulative amount is reattributed to NCI. When the Group disposes of only part of an associate or joint venture while retaining significant influence or joint control, the relevant proportion of the cumulative amount is reclassified to profit or loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item.

Fair value measurement

The Group measures financial instruments, such as investment in securities and hedges, at fair value at each reporting date.

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

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

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Fair value measurement (continued)

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

For investments traded in an active market, fair value is determined by reference to quoted market bid prices.

The fair value of interest-bearing items is estimated based on discounted cash flows using interest rates for items with similar terms and risk characteristics.

For unquoted equity investments, fair value is determined by reference to the market value of a similar investment or is based on the expected discounted cash flows.

The fair value of forward foreign exchange contracts is calculated by reference to current forward exchange rates with the same maturity.

Fair value of interest rate swap contract is determined by reference to market value for similar instruments.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the consolidated financial statements 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 – Fair value measurements are those derived from quoted prices in an active market (that are unadjusted) for identical assets or liabilities.
- Level 2 – Fair value measurements are those derived from 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 – Fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

For assets and liabilities that are recognised in the consolidated financial statements on a recurring basis, the Group determines whether transfers have occurred between Levels in the hierarchy by re-assessing categorisation at the end of each reporting period.

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

3 SEGMENT INFORMATION

Management monitors the operating results of its business segments separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profit or loss and is measured consistently with operating profit or loss in the consolidated financial statements.

Business segments

For management purposes, the Group is organised into three major segments, namely, real estate (develop and sell condominiums, villas, commercial units and plots of land), leasing, retail and related activities (develop, lease and manage malls, retail, commercial and residential spaces) and hospitality (develop, own and/or manage hotels, serviced apartments and leisure activities). Other segments include businesses that individually do not meet the criteria for a reportable segment as per IFRS 8 *Operating Segments*. These businesses are property management and utility services and investments in providers of financial services.

Revenue from sources other than property sales, leasing, retail and related activities and hospitality are included in other operating income.

3 SEGMENT INFORMATION (continued)

Geographic segments

The Group is currently operating in number of countries outside the UAE and is engaged in development of several projects which have significant impact on the Group results. The domestic segment includes business activities and operations in the UAE and the international segment includes business activities and operations outside the UAE (including export sales).

Business segments
The following tables include revenue, profit and certain assets and liabilities information regarding business segments for the years ended 31 December 2019 and 2018.

	Real estate AED'000	*Leasing, retail and related activities AED'000*	*Hospitality AED'000*	*Others AED'000*	*Total AED'000*
2019:					
Revenue					
Revenue from external customers					
- Over a period of time	**14,941,697**	**-**	**-**	**-**	**14,941,697**
- Single point in time / leasing revenue	**2,392,713**	**5,953,427**	**1,298,094**	**-**	**9,644,234**
	17,334,410	**5,953,427**	**1,298,094**	**-**	**24,585,931**
Results					
Profit before tax for the year before (a) and (b)	**5,335,198**	**2,971,011**	**213,850**	**116,425**	**8,636,484**
(a) Unallocated selling, general and administrative expenses					**(661,290)**
(b) Unallocated finance cost, net					**(71,541)**
Profit before tax for the year					**7,903,653**
Assets and liabilities:					
Segment assets	**80,172,629**	**25,621,111**	**8,022,288**	**3,054,376**	**116,870,404**
Segment liabilities	**44,686,402**	**6,411,111**	**1,985,385**	**338,083**	**53,420,981**
Other segment information					
Capital expenditure (property, plant and equipment and investment properties)	**172,174**	**3,052,647**	**890,766**	**178,484**	**4,294,071**
Depreciation (property, plant and equipment, investment properties and right-of-use assets)	**224,642**	**708,082**	**232,835**	**90,705**	**1,256,264**

3 SEGMENT INFORMATION (continued)

Business segments (continued)

	Real estate AED'000	*Leasing, retail and related activities AED'000*	*Hospitality AED'000*	*Others AED'000*	*Total AED'000*
2018:					
Revenue					
Revenue from external customers					
- Over a period of time	16,477,741	-	-	-	16,477,741
- Single point in time / leasing revenue	2,014,768	5,642,542	1,559,273	-	9,216,583
	18,492,509	5,642,542	1,559,273	-	25,694,324
Results					
Profit before tax for the year before (a) and (b)	6,891,337	2,938,960	31,469	153,294	10,015,060
(a) Unallocated selling, general and administrative expenses					(1,124,266)
(b) Unallocated finance income, net					151,054
Profit before tax for the year					9,041,848
Assets and liabilities *(Restated)*					
Segment assets	76,233,325	23,227,941	8,576,187	3,381,628	111,419,081
Segment liabilities	45,623,512	7,103,825	1,311,903	591,317	54,630,557
Other segment information					
Capital expenditure (property, plant and equipment and investment properties)	511,293	4,081,718	1,462,887	308,494	6,364,392
Depreciation (property, plant and equipment and investment properties)	180,000	675,466	292,317	52,961	1,200,744

3 SEGMENT INFORMATION (continued)

Geographic segments
The following tables include revenue and certain asset information regarding geographic segments for the years ended 31 December 2019 and 2018.

	Domestic AED'000	***International AED'000***	***Total AED'000***
2019:			
Revenue			
Revenue from external customers			
- Over a period of time	**12,918,313**	**2,023,384**	**14,941,697**
- Single point in time / leasing revenue	**6,129,941**	**3,514,293**	**9,644,234**
	19,048,254	**5,537,677**	**24,585,931**
Assets			
Right-of-use assets	**445,851**	**377,497**	**823,348**
Investments in associates and joint ventures	**2,299,829**	**2,623,075**	**4,922,904**
Other segment assets	**79,106,312**	**32,017,840**	**111,124,152**
Total assets	**81,851,992**	**35,018,412**	**116,870,404**
Total liabilities	**37,418,331**	**16,002,650**	**53,420,981**
Other segment information			
Capital expenditure (property, plant and equipment, investment properties and right-of-use assets)	**3,966,388**	**327,683**	**4,294,071**

	Domestic AED'000	*International AED'000*	*Total AED'000*
2018:			
Revenue			
Revenue from external customers			
- Over a period of time	14,998,088	1,479,653	16,477,741
- Single point in time / leasing revenue	6,712,471	2,504,112	9,216,583
	21,710,559	3,983,765	25,694,324
Assets			
Segment assets	74,093,678	32,623,973	106,717,651
Investments in associates and joint ventures	1,927,782	2,773,648	4,701,430
Total assets	76,021,460	35,397,621	111,419,081
Total liabilities	36,136,699	18,493,858	54,630,557
Other segment information			
Capital expenditure (property, plant and equipment and investment properties)	5,860,864	503,528	6,364,392

4 BUSINESS COMBINATION, DISCONTINUED OPERATIONS AND ASSETS HELD FOR SALE

(a) Emaar MGF Land Limited

(i) In 2016, the Group filed a scheme of arrangement with the Delhi High Court in India for the demerger ("demerger scheme") of the operations of Emaar MGF Land Limited ("EMGF"). As part of the demerger scheme, the Group had agreed to transfer certain assets and liabilities directly associated with those assets (the "disposal group") to an entity controlled by the other promoter group of EMGF. On 16 July 2018, order for approval of demerger scheme was issued by National Company Law Tribunal ("NCLT") and the order was filed to Registrar of Companies on 31 July 2018. Based on the order issued by NCLT, since no further act or deed is to be performed by EMGF to effect the demerger, management concluded that the demerger was effective as on 31 July 2018.

Accordingly, assets and liabilities which were classified as held for sale were transferred to a company controlled by the other promoter group of EMGF. Management had considered this transfer as a distribution of non-cash assets to shareholders of EMGF and had recognised a gain on distribution of non-cash assets amounting to AED 353,407 thousands in the consolidated income statement for the year ended 31 December 2018.

As a consideration for the value of net assets transferred, the entity controlled by other promoter group of EMGF will issue its equity shares to the Group in the proportion agreed in the demerger scheme. As at the reporting date, the entity controlled by other promoter group is yet to issue its equity shares so agreed to the Group.

(ii) During March 2012, the Group had paid AED 183 million to subscribe 2,500 Compulsory Convertible Debenture (CCD) of INR 1 million each in EMGF. During the current year, EMGF has issued additional equity shares to the Group upon conversion of these CCDs into its equity share which resulted in an increase of ownership interest of the Group in EMGF from 57.33% to 70.12%. This resulted in a decrease in the non-controlling interest amounting to AED 193,487 thousands (net of foreign currency translation reserve of AED 386,035 thousands) and a corresponding increase of the equity attributable to the owners of the Company in accordance with IFRS 10.

(b) Emaar Giga Holding Limited

On 12 November 2017, the Group signed a separation agreement with Giga Group Holding Ltd ("Giga") in respect of Emaar Giga Holding Ltd ("EGHL"), a subsidiary formed to develop properties in Pakistan. Based on the separation agreement, Giga will exchange its shareholding in EGHL for certain land held by the Group in Karachi, Pakistan. As at 31 December 2019 the conditions precedent for completion of the transfer have not been fully satisfied and the transfer has not been effected. The assets and liabilities that form part of the disposal group have been disclosed under 'assets held for sale' and 'liabilities associated with assets held for sale' in the consolidated statement of financial position.

The major classes of assets and liabilities of the disposal group classified as held for sale are as follows:

	2019 ***AED'000***	*2018* *AED'000*
Assets		
Development properties	**80,487**	83,418
Liabilities		
Trade and other payables	**89,872**	93,846
Net liabilities directly associated with the EGHL disposal group	**9,385**	10,428

There was no significant income recognised in the consolidated income statement or consolidated statement of comprehensive income for the year with respect to these assets.

4 BUSINESS COMBINATION, DISCONTINUED OPERATIONS AND ASSETS HELD FOR SALE (continued)

(c) Emaar Middle East LLC

During 2016, the Group had entered in a separation agreement with Al Oula Real Estate Development Holding Company ("Al Oula"), by which the Group had agreed to acquire the equity shares held by Al Oula in Emaar Middle East LLC ("EME") and its subsidiaries, which was settled by way of transfer of ownership of a project (the "EME disposal group") developed by EME to Al Oula. The assets and liabilities relating to the EME disposal group were previously classified as 'assets held for sale' and 'liabilities associated with assets held for sale'. The separation agreement was subject to fulfilment of certain conditions which was completed on 9 December 2019.

As a result, during the year, the Group acquired the equity shares held by Al Oula in Emaar Middle East LLC ("EME") and its subsidiaries. This has resulted in an impact of AED 29,260 thousands in non-controlling interest as well as equity attributable to the owners of the Company. The difference in the amount of consideration transferred and the non-controlling interests acquired amounting to AED 37,223 thousands has been directly recognised in the consolidated statement of changes in equity as required under IFRS 10.

The major classes of assets and liabilities of the EME disposal group as at the effective date of transfer and 31 December 2018 are as follows:

	9 December 2019 AED'000	*31 December 2018 AED'000*
Assets		
Development properties	**930,232**	924,001
Trade and unbilled receivables	**29,180**	18,771
Total assets	**959,412**	942,772
Liabilities		
Trade and other payables	**577,077**	577,256
Advances from customers	**32,220**	21,291
Total liabilities	**609,297**	598,547
Net assets directly associated with the EME disposal group	**350,115**	344,225

There was no significant income recognised in the consolidated income statement or consolidated statement of comprehensive income for the year with respect to these assets.

(d) Emaar Hospitality Group

On 26 November 2018, Emaar Hospitality Group LLC (EHG), a subsidiary of the Group, entered into a Sale and Purchase Agreement ("SPA") with Abu Dhabi National Hotels Company PSJC (ADNH) to transfer its ownership interest in five hotels (Hotels) owned by EHG in Dubai. Based on the agreement, ADNH agreed to purchase the Hotels for a consideration of AED 2,198 million, subject to adjustments relating to working capital and employee entitlements.

Sale of the Hotels were subject to satisfactory completion of conditions precedents as defined in the SPA. As at 31 December 2018, these condition precedents were not completed and transfer of ownership of the hotels to ADNH was not effected. Accordingly, at 31 December 2018, the assets and liabilities of Hotels were classified as 'assets held for sale' and 'liabilities associated with assets classified as held for sale' (EHG disposal group) in the consolidated statement of financial position.

4 BUSINESS COMBINATION, DISCONTINUED OPERATIONS AND ASSETS HELD FOR SALE (continued)

(d) Emaar Hospitality Group (continued)

On 12 February 2019, all the condition precedents were satisfactorily completed and ownership of the Hotels have been transferred to ADNH. Accordingly, the Group has recorded a gain of AED 101,693 thousands, which was recognised as other income in the consolidated income statement. Further, during February 2019, the Group entered into a long-term hotel management agreement with ADNH to manage the Hotels for a period of 15-20 years.

The major classes of assets and liabilities of EHG disposal group at 12 February 2019 and 31 December 2018 were as follows:

	12 February 2019 AED'000	*31 December 2018 AED'000*
Assets		
Property, plant and equipment	**2,096,307**	2,095,894
Trade and unbilled receivables	**14,649**	8,753
Other assets, receivables, deposits and prepayments	**62,597**	13,200
Total assets	**2,173,553**	2,117,847
Liabilities		
Provision for employees' end-of-service benefits	**8,125**	9,068
Trade and other payables	**27,646**	19,709
Advances from customers	**4,359**	1,724
Total liabilities	**40,130**	30,501
Net assets directly associated with the EHG disposal group	**2,133,423**	2,087,346

The operating results of the Hotels for the period 1 January 2019 to 12 February 2019 were as follows:

	1 January to 12 February 2019 AED'000	*1 January to 31 December 2018 AED'000*
Revenue	68,743	440,093
Cost of revenue	(28,634)	(259,885)
Gross profit	40,109	180,208
Selling, general and administrative expenses	(11,034)	(144,739)
Finance costs	-	(20,998)
Profit for the period from EHG disposal group attributable to the owners of the Company	29,075	14,471

4 BUSINESS COMBINATION, DISCONTINUED OPERATIONS AND ASSETS HELD FOR SALE (continued)

(e) Non-core assets

During the year, the Group identified certain non-core assets which were identified to be divested. Accordingly, those assets and liabilities directly associates with these assets were classified as held for sale.

The major classes of assets and liabilities of such disposal group are as follows:

	2019 *AED'000*
Assets	
Property, plant and equipment	**556,775**
Other assets, receivables, deposits and prepayments	**42,713**
Less: Inter Group receivables	**(10,685)**
Total assets	**588,803**
Liabilities	
Trade and other payables	**599,488**
Less: Inter Group payable	**(529,691)**
Total liabilities	**69,797**
Net assets directly associated with disposal group	**519,006**

There was no significant income recognised in the consolidated income statement or consolidated statement of comprehensive income for the year with respect to these assets.

5 REVENUE AND COST OF REVENUE

	2019 AED'000	*2018 AED'000*
Revenue		
Revenue from property sales		
Sale of condominiums	**11,119,122**	9,419,552
Sale of villas	**5,191,352**	7,838,212
Sale of commercial units, plots of land and others	**1,023,936**	1,234,745
Revenue from hospitality	**1,298,094**	1,559,273
Revenue from leased properties, retail and related income	**5,953,427**	5,642,542
	24,585,931	25,694,324
Cost of revenue		
Cost of revenue from property sales		
Cost of condominiums	**7,249,125**	5,886,189
Cost of villas	**2,841,951**	4,084,774
Cost of commercial units, plots of land and others	**605,764**	542,903
Operating cost of hospitality	**741,518**	944,439
Operating cost of leased properties, retail and related activities	**1,585,149**	1,353,316
	13,023,507	12,811,621

6 SELLING, GENERAL AND ADMINISTRATIVE EXPENSES

	2019 AED'000	*2018 AED'000*
Sales and marketing expenses	**1,105,703**	902,143
Payroll and related expenses	**910,757**	885,741
Property management expenses	**267,149**	341,988
Provision for doubtful debts / write off, net	**142,840**	127,905
Donations	**97,261**	109,371
Depreciation of right of use assets	**92,084**	-
Pre-operating expenses	**31,236**	43,976
Other expenses	**656,312**	774,331
	3,303,342	3,185,455

7(a) FINANCE INCOME

	2019 AED'000	*2018 AED'000*
Finance income from bank deposits and securities	**576,920**	762,286
Other finance income	**75,409**	73,586
	652,329	835,872

7(b) FINANCE COSTS

	2019 ***AED'000***	*2018* *AED'000*
Finance costs on borrowings	**993,516**	904,840
Other finance costs	**169,162**	152,175
	1,162,678	1,057,015

8 INCOME TAX

	2019 ***AED'000***	*2018* *AED'000*
Consolidated income statement		
Current income tax expenses	**(180,356)**	(70,335)
Deferred income tax credit	**486,048**	81,366
	305,692	11,031
Consolidated statement of financial position		
Income tax payable, balance at the beginning of the year	**118,991**	91,665
Charge for the year, net	**180,356**	70,335
Paid during the year	**(149,880)**	(43,009)
Income tax payable, balance at the end of the year (note 19)	**149,467**	118,991
Net deferred tax payable, balance at the beginning of the year	**1,696,676**	1,942,768
(Credit) / charge for the year (i)	**(486,048)**	(81,366)
Other movements, net	**(40,169)**	(164,726)
Net deferred tax payable, balance at the end of the year	**1,170,459**	1,696,676
Disclosed as :		
Deferred tax payable	**1,339,538**	1,874,352
Deferred tax assets (note 11)	**(169,079)**	(177,676)
Net deferred tax payable	**1,170,459**	1,696,676

Deferred tax payable mainly comprises of temporary timing differences.

(i) During the year ended 31 December 2019, due to change in tax regime in India, the Group has reassessed the deferred tax liabilities recorded in earlier years to reflect the balance as per the reduced corporate income tax rate. Accordingly, a reversal of AED 497,400 thousands is recorded as a credit to income tax charge in the Group's consolidated income statement for the year ended 31 December 2019.

8 INCOME TAX (continued)

Income tax expense relates to the tax payable on the results of the subsidiaries, as adjusted in accordance with the taxation laws and regulations of the countries in which the subsidiaries operate. The relationship between the tax expenses and the accounting profit can be explained as follows:

	2019 AED'000	*2018 AED'000 (Restated)*
Profit before tax	**7,903,653**	9,041,848
Profit not subject to tax, net	**(7,137,114)**	(8,833,851)
Accounting profit subject to income tax, net	**766,539**	207,997
Current income tax expense	**(180,356)**	(70,335)
UAE applicable income tax rate	**0.00%**	0.00%
Effective tax rate as percentage of accounting profit	**23.53%**	33.82%

The income tax charge is applicable on the Group's operations in Turkey, Egypt, Morocco, India, Pakistan, Lebanon, Kingdom of Saudi Arabia, the United Kingdom, the United States of America, Italy and Syria.

9 BANK BALANCES AND CASH

	2019 AED'000	*2018 AED'000*
Cash in hand	**8,991**	9,500
Current and call bank deposit accounts	**5,823,461**	7,885,404
Fixed deposits maturing within three months	**754,427**	1,067,774
Total	**6,586,879**	8,962,678
Deposits under lien (Note 22 and 28)	**143,368**	92,886
Fixed deposits maturing after three months	**65,490**	438,630
	6,795,737	9,494,194
Bank balances and cash located:		
Within UAE	**5,158,572**	7,574,242
Outside UAE	**1,637,165**	1,919,952
	6,795,737	9,494,194
Bank balances and cash are denominated in the following currencies:		
United Arab Emirates Dirham (AED)	**5,158,572**	7,574,242
Egyptian Pound (EGP)	**568,503**	966,017
United States Dollar (USD)	**765,123**	712,437
Saudi Riyal (SAR)	**93,745**	29,850
Indian Rupee (INR)	**160,362**	97,048
Other currencies	**49,432**	114,600
	6,795,737	9,494,194

9 BANK BALANCES AND CASH (continued)

As at 31 December 2019, cash and cash equivalent is AED 5,158,444 thousands (31 December 2018: AED 8,962,678 thousands) which is after net of facilities obtained from various commercial banks in the UAE and are repayable on demand. Also refer note 22.

Cash at banks earn interest at fixed rates based on prevailing bank deposit rates. Short-term fixed deposits are made for varying periods between one day and three months, depending on the cash requirements of the Group, and earn interest at the respective short-term deposit rates.

Bank balances maintained in the UAE includes an amount of AED 12,845 thousands (31 December 2018: AED 13,943 thousands) committed for investments in a project in Syria.

As at 31 December 2019, an amount of AED 4,509,397 thousands (31 December 2018: AED 7,130,069 thousands) are with banks for unclaimed dividends and advances received from customers against sale of development properties which are deposited into escrow accounts. These deposits/balances are not under lien.

10 TRADE AND UNBILLED RECEIVABLES

	2019 *AED'000*	*2018* *AED'000*
Trade receivables		
Amounts receivables within 12 months, net	**2,251,220**	1,897,937
Unbilled receivables		
Unbilled receivables within 12 months	**5,253,786**	3,930,855
Unbilled receivables after 12 months, net	**2,960,024**	1,619,737
	8,213,810	5,550,592
Total trade and unbilled receivables	**10,465,030**	7,448,529

The above trade receivables are net of AED 186,100 thousands (31 December 2018: AED 156,796 thousands) relating to provision for doubtful debts. All other receivables are considered recoverable in full**.**

Movement in the provision for doubtful debts during the year is as follows:

	2019 *AED'000*	*2018* *AED'000*
Balance at the beginning of the year	**156,796**	151,628
Provision made during the year	**30,467**	16,894
Reversed during the year	**(1,163)**	(11,726)
Balance at the end of the year	**186,100**	156,796

At 31 December, the ageing analysis of net trade and unbilled receivables is as follows:

			Past due but not impaired			
	Total *AED'000*	*Neither past due nor impaired* *AED'000*	*Less than 30 days* *AED'000*	*Between 30 to 60 days* *AED'000*	*Between 60 to 90 days* *AED'000*	*More than 90 days* *AED'000*
2019	**10,465,030**	**8,213,810**	**514,349**	**215,835**	**175,950**	**1,345,086**
2018	7,448,529	5,550,592	282,416	136,441	266,881	1,212,199

Refer note 32(a) on credit risks of trade and unbilled receivables, which discusses how the Group manages and measures credit quality of trade and unbilled receivables that are neither past due nor impaired.

11 OTHER ASSETS, RECEIVABLES, DEPOSITS AND PREPAYMENTS

	2019 AED'000	*2018 AED'000 (Restated)*
Recoverable under development agreements	**3,615,418**	2,477,552
Advance against investments (ii)	**3,595,324**	3,260,684
Advances to contractors and others	**3,440,502**	3,503,852
Deferred sales commission (i)	**960,340**	873,094
Value added tax recoverable	**745,481**	908,715
Recoverable from non-controlling interests	**620,051**	604,989
Inventory - Hospitality and Retail	**306,140**	201,408
Receivables from Communities Owner Associations	**314,214**	163,186
Deferred income tax assets (note 8)	**169,079**	177,676
Prepayments	**196,486**	563,919
Deposits for acquisition of land	**54,822**	123,418
Accrued interest	**20,275**	25,464
Other receivables and deposits	**1,421,133**	1,107,615
	15,459,265	13,991,572
Other assets, receivables, deposits and prepayments maturity profile:		
Within 12 months	**7,786,878**	6,811,362
After 12 months	**7,672,387**	7,180,210
	15,459,265	13,991,572

(i) Deferred sales commission expense incurred to obtain or fulfil a contract with the customers is amortised over the period of satisfying performance obligations where applicable.

(ii) Advance against investments represent funds contributed by the Group for the purposes of obtaining equity interest in certain ventures. These contributions were not formalized or converted into share capital as at the year end.

Comparative amount in cashflow from operating activities has been reclassified to cash flows from investing activities to reflect the economic substance of the transaction.

12 DEVELOPMENT PROPERTIES

	2019 AED'000	*2018 AED'000*
Balance at the beginning of the year	**38,384,181**	36,721,397
Add: Costs incurred during the year	**12,792,852**	13,730,086
(Less) / add: Costs transferred (to) / from property, plant and equipment (note 16)*	**(6,756)**	214,341
Less: Costs transferred to cost of revenue during the year	**(10,696,840)**	(10,513,866)
Less: Foreign currency translation differences	**(132,668)**	(1,308,202)
Less: Costs transferred to investment properties (note 17)*	**(20,829)**	(63,359)
Less: Impairment / write-off	-	(396,216)
Balance at the end of the year	**40,319,940**	38,384,181

*The Group has transferred certain costs from / to property, plant and equipment and investment properties based on the change in intended use of such developments.

12 DEVELOPMENT PROPERTIES (continued)

	2019	*2018*
	AED'000	*AED'000*
Development properties located:		
Within UAE	**22,364,747**	20,036,744
Outside UAE	**17,955,193**	18,347,437
	40,319,940	38,384,181

Properties acquired, constructed or in the course of construction for sale in the ordinary course of business are classified as development properties and include the costs of:

- Freehold and leasehold rights for land;
- Amounts paid to contractors for construction including the cost of construction of infrastructure; and
- Borrowing costs, planning and design costs, costs of site preparation, professional fees for legal services, property transfer taxes, construction overheads and other related costs.

Common infrastructure cost is allocated to various projects and forms part of the estimated cost to complete a project in order to determine the cost attributable to revenue being recognised. The development span of some of the development properties is estimated to be over 10 years.

The fair value of Group's development properties at 31 December 2019 was determined by the management based on valuations performed by independent and renowned external valuers. The valuation was performed in accordance with the RICS valuation standards, adopting the IFRS basis of fair value and using established valuation techniques. The value of the development properties has been determined using market comparable and residual cost method. Key observable inputs include market prices of similar transactions and margins derived, any movement in the assumptions would result in the lower / higher fair value of these assets.

The fair value of the development properties as at the reporting date is AED 61,557,068 thousands (2018: AED 68,726,817 thousands).

During the year, an amount of AED 132,276 thousands (2018: AED 182,879 thousands) was capitalised as cost of borrowings for the construction of development properties, including unwinding costs.

Fair value hierarchy
The Group uses the following hierarchy for determining and disclosing the fair value of its development properties by valuation technique:

	Total	***Level 1***	***Level 2***	***Level 3***
	AED'000	***AED'000***	***AED'000***	***AED'000***
2019	**61,557,068**	**-**	**-**	**61,557,068**
2018	68,726,817	-	-	68,726,817

13 INVESTMENTS IN SECURITIES

	2019	*2018*
	AED'000	*AED'000*
Financial assets at fair value through other comprehensive income (i)	**702,313**	683,676
Financial assets at fair value through profit and loss	**138,376**	125,334
Financial assets at amortised cost	**2,021,106**	1,426,764
	2,861,795	2,235,774
Investments in securities:		
Within UAE	**562,004**	561,756
Outside UAE	**2,299,791**	1,674,018
	2,861,795	2,235,774

(i) Financial assets at fair value through other comprehensive income includes a contingent convertible instrument at fair value of AED 5,349 thousands (2018: AED 5,349 thousands) (refer note 14(i)) and fund investments managed by an external fund manager. Equity investments are in quoted, unquoted and index linked securities.

Fair value hierarchy
The Group uses the following hierarchy for determining and disclosing the fair value of financial assets at fair value by valuation technique:

	Total	***Level 1***	***Level 2***	***Level 3***
	AED'000	***AED'000***	***AED'000***	***AED'000***
2019	**840,689**	**83,748**	**727,718**	**29,223**
2018	809,010	72,364	705,922	30,724

Valuations for Level 2 investments in securities have been derived by determining their redemption value which is generally net asset value per share of the investee companies. Significant unabsorbable inputs include adjustable market multiples, which would increase the fair value when higher. There were no transfers made between Level 1 and Level 2 during the year.

The following table shows a reconciliation of the opening and closing amount of Level 3 financial assets which are recorded at fair value:

	2019	*2018*
	AED'000	*AED'000*
Balance at 1 January	**30,724**	27,051
Purchased during the year	**-**	3,673
Disposed during the year	**(1,501)**	-
Balance at 31 December	**29,223**	30,724

Investment in securities other than those recognised at amortised cost are expected to be recovered after 12 months.

During the year, the Group has made additional investments in securities of AED 3,384,889 thousands (2018: AED 2,684,355 thousands), this includes investment in shares and stocks of AED 595,498 thousands (2018: AED 392,760 thousands).

14 LOANS TO ASSOCIATES AND JOINT VENTURES

	2019 AED'000	*2018 AED'000*
Emaar Dubai South DWC LLC	**861,798**	311,079
Amlak Finance PJSC (i)	**91,677**	91,677
DWTC Emaar LLC (ii)	**-**	320,065
Zabeel Square LLC (ii)	**-**	255,002
Other associates and joint ventures	**27,244**	9,143
	980,719	986,966

Loans to associates and joint ventures of AED 889,042 thousands (31 December 2018: AED 886,146 thousands) are unsecured, repayable on demand and does not carry any interest.

(i) As per the terms of the restructuring agreement entered in 2014, 20% of the principal amount of the loan was repaid by Amlak in 2014, 65% is restructured into a long term facility maturing in 12 years carrying a profit rate of 2% per annum and 15% is restructured into a 12-year contingent convertible instrument.

(ii) Loans to DWTC Emaar LLC and Zabeel Square LLC has been reclassified to investments in joint venture based on the terms of joint venture agreement.

15 INVESTMENTS IN ASSOCIATES AND JOINT VENTURES

	2019 AED'000	*2018 AED'000*
Carrying value of investments in associates and joint ventures:		
Emaar, The Economic City (Saudi Joint Stock Company) - quoted (i)*	**2,259,939**	2,350,209
Emaar Bawadi LLC	**507,242**	505,567
Amlak Finance PJSC - quoted (ii)*	**497,676**	655,321
DWTC Emaar LLC (note 14)	**401,490**	-
Turner International Middle East Ltd	**311,058**	352,913
Zabeel Square LLC (note 14)	**255,599**	-
Eko Temali Parklar Turizm Işletmeleri Anonim Şirketi	**250,881**	244,816
Mirage Leisure and Development Inc. (iii)*	**-**	143,631
Emaar Industries and Investment (Pvt) JSC*	**153,453**	149,918
Dead Sea Company for Tourist and Real Estate Investment*	**76,366**	101,583
Other associates and joint ventures	**209,200**	197,472
	4,922,904	4,701,430

(i) The market value of the shares held in Emaar, The Economic City ("EEC") (quoted on the Saudi Stock Exchange - Tadawul) as at 31 December 2019 was AED 2,431,962 thousands (2018: AED 2,013,799 thousands).

(ii) The market value of the shares held in Amlak Finance PJSC ("Amlak") (quoted on the Dubai Financial Market) as at 31 December 2019 was AED 344,759 thousands (2018: AED 264,700 thousands).

* Represents Group's investment in associates.

15 INVESTMENTS IN ASSOCIATES AND JOINT VENTURES (continued)

(iii) On 1 October 2015, the Group had acquired 65% interest in the equity shares of Mirage Leisure and Development Inc. ("MLD"), a company registered and incorporated on 3 June 1997 in accordance with the laws of the British Virgin Islands ("BVI"). This investment was recorded as investment in associate. MLD is engaged in management consulting for construction projects.

On 30 April 2019, the Group acquired the remaining 35% interest for a purchase consideration of AED 66,500 thousands in MLD resulting in Group obtaining control over the entity. The fair value of identified net assets of MLD as at the date of acquisition amounted to AED 51,654 thousands. The transaction represents a business combination under IFRS 3 '*Business Combination'* and has been accounted for using the acquisition method of accounting. Accordingly, the consideration paid has been allocated based on the fair values of the assets acquired and liabilities assumed and the Group recorded goodwill of AED 162,304 thousands.

Goodwill arising from the acquisition has been recognised as follows:

	30 April 2019 AED'000
Purchase consideration transferred	66,500
Fair value of pre-existing interest in MLD	147,458
Fair value of identifiable net assets	(51,654)
Goodwill arising on acquisition (note 18)	162,304

Goodwill primarily comprises revenue growth from future services and projects arising from the acquisition as well as certain other intangible assets that do not qualify for separate recognition under IAS 38 *Intangible assets.*

The Group has the following effective ownership interest in its significant associates and joint ventures:

		Ownership	
	Country	***31 December 2019***	*31 December 2018*
Emaar, The Economic City (Saudi Joint Stock Company)	KSA	**30.59%**	30.59%
Amlak Finance PJSC	UAE	**48.08%**	48.08%
Emaar Bawadi LLC	UAE	**50.00%**	50.00%
Turner International Middle East Ltd	UAE	**65.00%**	65.00%
Eko Temali Parklar Turizm Işletmeleri Anonim Şirketi	Turkey	**50.00%**	50.00%
Mirage Leisure and Development Inc. (refer note (iii) above)	UAE	**100.00%**	65.00%
Emaar Industries and Investments (Pvt) JSC	UAE	**40.00%**	40.00%
Dead Sea Company for Tourist and Real Estate Investment	Jordan	**29.33%**	29.33%
Emaar Dubai South DWC LLC	UAE	**50.00%**	50.00%
DWTC Emaar LLC	UAE	**50.00%**	50.00%
Zabeel Square LLC	UAE	**50.00%**	50.00%

15 INVESTMENTS IN ASSOCIATES AND JOINT VENTURES (continued)

The following table summarises the income statements of the Group's associates and joint ventures for the year ended 31 December 2019:

	Emaar, The Economic City (Saudi Joint Stock Company) - quoted AED'000	*Emaar Industries and Investment (Pvt) JSC AED'000*	*Dead Sea Company for Tourist and Real Estate Investment AED'000*	*Mirage Leisure and Development Inc.* AED'000*	*Turner International Middle East Ltd AED'000*	*Others AED'000*	*Total AED'000*
Revenue	**1,067,768**	**334,027**	**62,804**	**67,790**	**244,653**	**1,276,835**	**3,053,877**
Profit / (loss) before tax	**(243,369)**	**30,997**	**(85,977)**	**5,438**	**155,459**	**(268,559)**	**(406,011)**
Income tax expense	**(60,959)**	**-**	**-**	**-**	**(3,374)**	**-**	**(64,333)**
Profit / (loss) for the year	**(304,328)**	**30,997**	**(85,977)**	**5,438**	**152,085**	**(268,559)**	**(470,344)**
Other comprehensive income	**16,417**	**-**	**-**			**(4,837)**	**11,580**
Total comprehensive income for the year	**(287,911)**	**30,997**	**(85,977)**	**5,438**	**152,085**	**(273,396)**	**(458,764)**
Profit / (loss) attributable to owners of the Company	**(245,912)**	**20,875**	**(85,977)**	**5,438**	**134,589**	**(268,558)**	**(439,545)**
Group's share of profit / (loss) for the year	**(75,224)**	**8,350**	**(25,217)**	**3,535**	**87,483**	**(127,129)**	**(128,202)**
Dividend received during the year	**-**	**5,000**	**-**	**-**	**129,338**	**12,024**	**146,362**

The financial information of the Group's associates and joint ventures included above have been adjusted to bring their accounting policies in line with the accounting policies followed by the Group.

* Represents summarises income statement till the Group acquired control. Refer note (iii) above.

15 INVESTMENTS IN ASSOCIATES AND JOINT VENTURES (continued)

The following table summarises the income statements of the Group's associates and joint ventures for the year ended 31 December 2018:

	Emaar, The Economic City (Saudi Joint Stock Company) - quoted AED'000	*Emaar Industries and Investment (Pvt) JSC AED'000*	*Dead Sea Company for Tourist and Real Estate Investment AED'000*	*Mirage Leisure and Development Inc. AED'000*	*Turner International Middle East Ltd AED'000*	*Others AED'000*	*Total AED'000*
Revenue	1,238,145	364,365	68,299	211,317	442,789	1,551,096	3,876,011
Profit / (loss) before tax	165,495	49,254	(44,906)	2,094	192,074	(103,997)	260,014
Income tax expense	(154,146)	-	-	-	(11,924)	-	(166,070)
Profit / (loss) for the year	11,349	49,254	(44,906)	2,094	180,150	(103,997)	93,944
Other comprehensive income	(8,706)	-	-	-	-	6,780	(1,926)
Total comprehensive income for the year	2,643	49,254	(44,906)	2,094	180,150	(97,217)	92,018
Profit / (loss) attributable to owners of the Company	(14,501)	30,477	(41,651)	2,094	160,249	(103,997)	32,671
Group's share of profit / (loss) for the year	(4,436)	12,191	(12,216)	1,361	104,162	(51,384)	49,678
Dividend received during the year	-	7,500	-	13,325	110,680	12,022	143,527

The financial information of the Group's associates and joint ventures included above have been adjusted to bring their accounting policies in line with the accounting policies followed by the Group.

15 INVESTMENTS IN ASSOCIATES AND JOINT VENTURES (continued)

The following table summarises the statements of financial position of the Group's associates and joint ventures as at 31 December 2019:

	Emaar, The Economic City (Saudi Joint Stock Company) - quoted AED'000	*Emaar Industries and Investment (Pvt) JSC AED'000*	*Dead Sea Company for Tourist and Real Estate Investment AED'000*	*Turner International Middle East Ltd AED'000*	*Others AED'000*	*Total AED'000*
Total assets (including cash and cash equivalents of AED 1,766,320 thousands)	**17,734,549**	**747,361**	**738,696**	**588,059**	**11,557,804**	**31,366,469**
Total liabilities	**10,346,712**	**363,728**	**478,329**	**281,251**	**7,447,848**	**18,917,868**
Net assets	**7,387,837**	**383,633**	**260,367**	**306,808**	**4,109,956**	**12,448,601**
Group's share of net assets	**2,259,939**	**153,453**	**76,366**	**199,425**	**2,019,025**	**4,708,208**
Goodwill						**244,696**
Impairment						**(30,000)**
						4,922,904

As at 31 December 2019, the Group's associates and joint ventures had contingent liabilities of AED 137,068 thousands (2018: AED 438,968 thousands) and commitments of AED 4,013,852 thousands (2018: AED 5,937,852 thousands).

15 INVESTMENTS IN ASSOCIATES AND JOINT VENTURES (continued)

The following table summarises the statements of financial position of the Group's associates and joint ventures as at 31 December 2018:

	Emaar, The Economic City (Saudi Joint Stock Company) - quoted AED'000	*Emaar Industries and Investment (Pvt) JSC AED'000*	*Dead Sea Company for Tourist and Real Estate Investment AED'000*	*Mirage Leisure and Development Inc. AED'000*	*Turner International Middle East Ltd AED'000*	*Others AED'000*	*Total AED'000*
Total assets (including cash and cash equivalents of AED 2,065,099 thousands)	16,952,820	769,198	752,322	129,536	695,357	10,430,591	29,729,824
Total liabilities	9,269,886	394,403	405,980	83,320	324,156	7,371,834	17,849,579
Net assets	7,682,934	374,795	346,342	46,216	371,201	3,058,757	11,880,245
Group's share of net assets	2,350,209	149,918	101,583	30,040	241,281	1,500,113	4,373,144
Goodwill							358,286
Impairment							(30,000)
							4,701,430

The financial information of the Group's associates and joint ventures included above have been adjusted to bring their accounting policies in line with the accounting policies followed by the Group.

16 PROPERTY, PLANT AND EQUIPMENT

2019:	*Leasehold improvements AED'000*	*Land and buildings AED'000*	*Computers and office equipment AED'000*	*Plant, machinery and heavy equipment AED'000*	*Motor vehicles AED'000*	*Furniture and fixtures AED'000*	*Leisure, entertainment and other assets AED'000*	*Capital work-in-progress AED'000*	*Total AED'000*
Cost:									
At 1 January 2019	**452,405**	**6,397,629**	**624,697**	**1,344,180**	**67,397**	**994,549**	**1,317,477**	**3,770,687**	**14,969,021**
Acquisition of a subsidiary	**-**	**-**	**1,485**	**-**	**-**	**3,205**	**-**	**-**	**4,690**
Additions/Adjustments	**17,772**	**325,876**	**109,383**	**150,363**	**4,117**	**61,193**	**164,977**	**619,005**	**1,452,686**
Disposals	**(309)**	**(139,114)**	**(9,839)**	**(13,568)**	**(7,127)**	**(40,074)**	**-**	**(1,374)**	**(211,405)**
Transfers	**-**	**1,346,336**	**16,988**	**276,644**	**-**	**54,626**	**916**	**(1,695,510)**	**-**
Transferred from / (to) development properties (note 12)	**-**	**52,331**	**-**	**-**	**-**	**-**	**-**	**(45,575)**	**6,756**
Foreign currency translation differences	**(7,110)**	**37,669**	**3,628**	**5,380**	**1,288**	**3,776**	**2,048**	**16,358**	**63,037**
Transferred to assets held for sale (note 4(e))	**-**	**-**	**(6,150)**	**(1,003,021)**	**(174)**	**(310)**	**-**	**(34,803)**	**(1,044,458)**
At 31 December 2019	**462,758**	**8,020,727**	**740,192**	**759,978**	**65,501**	**1,076,965**	**1,485,418**	**2,628,788**	**15,240,327**
Accumulated depreciation:									
At 1 January 2019	**244,850**	**1,499,686**	**472,572**	**688,466**	**56,226**	**744,413**	**615,180**	**-**	**4,321,393**
Acquisition of a subsidiary	**-**	**-**	**1,420**	**-**	**-**	**2,488**	**-**	**-**	**3,908**
Depreciation charge for the year	**16,583**	**194,276**	**99,603**	**121,992**	**5,061**	**102,597**	**106,376**	**-**	**646,488**
Disposals	**(309)**	**(61,886)**	**(6,626)**	**(12,803)**	**(6,286)**	**(37,229)**	**-**	**-**	**(125,139)**
Adjustments	**-**	**135**	**(392)**	**(15,824)**	**13**	**(744)**	**(6,719)**	**-**	**(23,531)**
Foreign currency translation differences	**(3,396)**	**2,522**	**1,909**	**295**	**850**	**533**	**1,741**	**-**	**4,454**
Transferred to assets held for sale (note 4(e))	**-**	**-**	**(6,130)**	**(481,078)**	**(174)**	**(301)**	**-**	**-**	**(487,683)**
At 31 December 2019	**257,728**	**1,634,733**	**562,356**	**301,048**	**55,690**	**811,757**	**716,578**	**-**	**4,339,890**
Net carrying amount:									
At 31 December 2019	**205,030**	**6,385,994**	**177,836**	**458,930**	**9,811**	**265,208**	**768,840**	**2,628,788**	**10,900,437**

16 PROPERTY, PLANT AND EQUIPMENT (continued)

2018:

	Leasehold improvements AED'000	*Land and buildings AED'000*	*Computers and office equipment AED'000*	*Plant, machinery and heavy equipment AED'000*	*Motor vehicles AED'000*	*Furniture and fixtures AED'000*	*Leisure, entertainment and other assets AED'000*	*Capital work-in-progress AED'000*	*Total AED'000*
Cost:									
At 1 January 2018	385,606	7,627,761	610,339	1,459,350	62,379	1,046,047	1,079,057	3,407,093	15,677,632
Additions/Adjustments	52,082	171,225	51,645	264,238	7,015	152,020	295,664	1,713,773	2,707,662
Disposals	(175)	(1,803)	(10,586)	(189,341)	(1,100)	(39,987)	(36,384)	(31,215)	(310,591)
Transfers	33,762	949,782	23,731	43,447	932	15,651	(18,981)	(1,048,324)	-
Transferred to development properties (note 12)	-	-	-	-	-	-	-	(214,341)	(214,341)
Transferred to investment properties (note 17)	-	(1,833)	-	-	-	-	-	(50,890)	(52,723)
Foreign currency translation differences	(18,870)	(21,416)	(3,110)	(6,737)	(746)	(4,982)	(1,879)	(5,409)	(63,149)
Transferred to assets held for sale (note 4(d))	-	(2,326,087)	(47,322)	(226,777)	(1,083)	(174,200)	-	-	(2,775,469)
At 31 December 2018	452,405	6,397,629	624,697	1,344,180	67,397	994,549	1,317,477	3,770,687	14,969,021
Accumulated depreciation:									
At 1 January 2018	187,024	1,713,990	439,362	723,464	52,009	769,994	554,391	-	4,440,234
Depreciation charge for the year	32,480	221,660	102,494	114,876	7,238	121,203	89,008	-	688,959
Disposals	(177)	(1,711)	(10,382)	(14,358)	(419)	(34,874)	(27,559)	-	(89,480)
Adjustments	33,957	(32,345)	(18,969)	15,618	(1,015)	(3,780)	113	-	(6,421)
Transferred to investment properties (note 17)	-	(235)	-	-	-	-	-	-	(235)
Foreign currency translation differences	(8,434)	(9,642)	(2,579)	(5,710)	(534)	(4,381)	(809)	-	(32,089)
Transferred to assets held for sale (note 4(d))	-	(392,031)	(37,354)	(145,424)	(1,053)	(103,749)	36	-	(679,575)
At 31 December 2018	244,850	1,499,686	472,572	688,466	56,226	744,413	615,180	-	4,321,393
Net carrying amount:									
At 31 December 2018	207,555	4,897,943	152,125	655,714	11,171	250,136	702,297	3,770,687	10,647,628

16 PROPERTY, PLANT AND EQUIPMENT (continued)

The valuation of the Group's significant revenue generating property, plant and equipment is carried out by independent professionally qualified valuers. The net income has been capitalised at terminal yield range of 6.25% to 7.25% (2018: 6.25% to 7.50%) and a discount rate range of 8.75% to 10% (2018: 8.75% to 9.75%) representing the characteristics and risk profile of an asset to determine the value of each of the revenue generating property, plant and equipment. At 31 December 2019, the fair value of these revenue generating property, plant and equipment assets is AED 8,277,893 thousands (2018: AED 6,800,885 thousands) compared with a carrying value of AED 6,340,801 thousands (2018: AED 4,873,633 thousands).

Certain property, plant and equipment assets are pledged as security against interest-bearing loans and borrowings as disclosed under note 22.

Fair value hierarchy
The Group uses the following hierarchy for determining and disclosing the fair value of its revenue generating property, plant and equipment by valuation technique:

	Total AED'000	*Level 1 AED'000*	*Level 2 AED'000*	*Level 3 AED'000*
2019	**8,277,893**	-	-	**8,277,893**
2018	6,800,885	-	-	6,800,885

Any significant movement in the assumptions used for the fair valuation of revenue generating property, plant and equipment such as discount rates, long term revenue/ margin growth etc. would result in significantly lower / higher fair value of those assets.

17 INVESTMENT PROPERTIES

2019:

	Land AED'000	*Buildings AED'000*	*Plant and equipment AED'000*	*Furniture, fixtures and others AED'000*	*Capital work-in-progress AED'000*	*Total AED'000*
Cost:						
At 1 January 2019	**2,003,587**	**14,023,116**	**438,811**	**780,794**	**5,955,125**	**23,201,433**
Additions	**-**	**60,131**	**-**	**78,984**	**2,702,270**	**2,841,385**
Disposals /adjustments	**(14,736)**	**(299,950)**	**(477)**	**-**	**(15,408)**	**(330,571)**
Transfers	**-**	**1,660,896**	**-**	**20,490**	**(1,681,386)**	**-**
Transferred from development properties (note 12)	**839**	**19,990**	**-**	**-**	**-**	**20,829**
Foreign currency translation differences	**316**	**2,952**	**-**	**-**	**5,263**	**8,531**
At 31 December 2019	**1,990,006**	**15,467,135**	**438,334**	**880,268**	**6,965,864**	**25,741,607**
Accumulated depreciation:						
At 1 January 2019	**-**	**2,460,885**	**437,234**	**534,867**	**-**	**3,432,986**
Depreciation charge for the year	**-**	**387,554**	**63**	**112,204**	**-**	**499,821**
Relating to disposals	**-**	**(95,991)**	**(477)**	**-**	**-**	**(96,468)**
At 31 December 2019	**-**	**2,752,448**	**436,820**	**647,071**	**-**	**3,836,339**
Net carrying amount:						
At 31 December 2019	**1,990,006**	**12,714,687**	**1,514**	**233,197**	**6,965,864**	**21,905,268**

17 INVESTMENT PROPERTIES (continued)

2018:

	Land AED'000	*Buildings AED'000*	*Plant and equipment AED'000*	*Furniture, fixtures and others AED'000*	*Capital work-in-progress AED'000*	*Total AED'000*
Cost:						
At 1 January 2018	1,996,702	11,784,161	440,088	575,252	4,758,392	19,554,595
Additions	7,973	466,667	-	205,202	2,976,888	3,656,730
Disposals /adjustments	(3,217)	(117,122)	(1,277)	(1,483)	-	(123,099)
Transfers	2,126	1,850,594	-	1,823	(1,854,543)	-
Transferred from development properties (note 12)	1,223	24,733	-	-	37,403	63,359
Transferred from property, plant and equipment (note 16)	304	14,557	-	-	37,862	52,723
Foreign currency translation differences	(1,524)	(474)	-	-	(877)	(2,875)
At 31 December 2018	2,003,587	14,023,116	438,811	780,794	5,955,125	23,201,433
Accumulated depreciation:						
At 1 January 2018	-	2,124,934	400,720	432,544	-	2,958,198
Depreciation charge for the year	-	371,577	36,950	103,258	-	511,785
Relating to disposals	-	(35,809)	(436)	(935)	-	(37,180)
Foreign currency translation differences	-	(52)	-	-	-	(52)
Transferred from property, plant and equipment (note 16)	-	235	-	-	-	235
At 31 December 2018	-	2,460,885	437,234	534,867	-	3,432,986
Net carrying amount:						
At 31 December 2018	2,003,587	11,562,231	1,577	245,927	5,955,125	19,768,447

17 INVESTMENT PROPERTIES (continued)

During the year the Group has disposed certain investment properties which has resulted in a gain of AED 371,682 thousands (2018: AED 107,959 thousands) which is included under other income.

The fair value of the freehold interest in Group's investment properties at 31 December 2019 was determined by the management based on valuations performed by independent and renowned external valuers. The valuation was performed in accordance with the RICS valuation standards, adopting the IFRS basis of fair value and using established valuation techniques. The value of the investment properties has been determined through analysis of the income cash flow achievable for the buildings and takes into account the projected annual expenditure. Both the contracted rent and estimated rental values have been considered in the valuation with allowances for void periods, running costs, vacancy rates and other costs. Based on the type and location of the property, the value of each of the properties has been determined by capitalising the estimated net income at an equivalent yield in the range of 6.30% to 10.34% (2018: 7.00% to 10.48%) (income capitalisation method); or assuming rental growth rates of 3%, discount rates of 7.65% to 11.52% and exit cap rates of 5.75% to 11.50% (discounted cash flow method). Where there are outstanding construction costs to complete the property these have been reflected in the valuation (residual method).

The fair value of investment properties is AED 65,974,357 thousands (2018: AED 66,697,223 thousands).

Investment properties represent the Group's interest in land and buildings situated in the UAE, Kingdom of India, Turkey and Egypt.

Fair value hierarchy
The Group uses the following hierarchy for determining and disclosing the fair value of its investment properties by valuation technique:

	Total AED'000	*Level 1 AED'000*	*Level 2 AED'000*	*Level 3 AED'000*
2019	**65,974,357**	-	-	**65,974,357**
2018	66,697,223	-	-	66,697,223

Any significant movement in the assumptions used for the fair valuation of investment properties such as discount rates, yield, rental growth, vacancy rate etc. would result in significantly lower / higher fair value of those assets.

18 INTANGIBLE ASSETS

	Goodwill AED'000	*Brand AED'000*	*Customers relationship AED'000*	*Software AED'000*	*Total AED'000*
2019:					
Cost:					
At 1 January 2019	**411,078**	**164,300**	**51,700**	**5,309**	**632,387**
Additions (note 15)	**162,304**	**-**	**-**	**-**	**162,304**
At 31 December 2019	**573,382**	**164,300**	**51,700**	**5,309**	**794,691**
Amortisation:					
At 1 January 2019	**-**	**-**	**14,108**	**1,956**	**16,064**
Charge for the year	**-**	**-**	**10,227**	**1,729**	**11,956**
At 31 December 2019	**-**	**-**	**24,335**	**3,685**	**28,020**
Net carrying amount:					
At 31 December 2019	**573,382**	**164,300**	**27,365**	**1,624**	**766,671**

18 INTANGIBLE ASSETS (continued)

2018:	*Goodwill AED'000*	*Brand AED'000*	*Customers relationship AED'000*	*Software AED'000*	*Total AED'000*
Cost:					
At 1 January 2018	411,078	164,300	51,700	4,300	631,378
Additions	-	-	-	1,009	1,009
At 31 December 2018	411,078	164,300	51,700	5,309	632,387
Amortisation:					
At 1 January 2018	-	-	3,881	538	4,419
Charge for the year	-	-	10,227	1,418	11,645
At 31 December 2018	-	-	14,108	1,956	16,064
Net carrying amount:					
At 31 December 2018	411,078	164,300	37,592	3,353	616,323

Impairment assessment of goodwill
CGUs containing goodwill include Hamptons in the MENA region (AED 46,066 thousands), Namshi (AED 365,012 thousands) and Mirage (AED 162,304 thousands) and has been tested for impairment using a value in use model. The calculation of value in use was sensitive to the following assumptions:

(i) *Gross margins* - Gross margins were based on the expectations of management based on past experience and expectation of future market conditions.

(ii) *Discount rate*s - Discount rates reflected management's estimate of the specific risks. The discount rate was based on the risk-free rate of the investment's country, market risk premium related to the industry and individual unit related risk premium/ discount. This was the benchmark used by management to assess performance and to evaluate future investment proposals. Management estimated that such discount rate to be used for evaluation of the investment should be between 7% to 12.6% (2018: 7% to 13.4%).

(iii) *Growth rate estimates* - Management prepared a five-year budget based on their expectations of future results, thereafter a growth rate of 0.5% to 78% (2018: 0.5% to 16%) was assumed based on the nature of CGUs which also includes online retail .

With regard to the assessment of value in use of the goodwill and brand, management believes that no reasonably possible change in a key assumption would cause the carrying value of the goodwill to materially exceed its recoverable amount.

19 TRADE AND OTHER PAYABLES

	2019 AED'000	*2018 AED'000*
Project contract cost accruals and provisions	**5,942,468**	5,622,716
Creditors for land purchase	**4,226,169**	3,936,780
Trade payables	**1,483,917**	1,337,018
Lease liabilities (Note 2.3(b))	**747,150**	-
Payable to non-controlling interests	**196,483**	630,888
Put option over non-controlling interests (i)	**-**	488,452
Dividends payable	**290,488**	291,438
Income tax payable (note 8)	**149,467**	118,991
Other payables and accruals	**3,883,054**	3,669,740
	16,919,196	16,096,023

19 TRADE AND OTHER PAYABLES (continued)

(i) Pursuant to the Shareholders' Agreement which was executed between the Group and Global Fashion Group ("GFG") on 16 August 2017 in relation to the acquisition of Namshi Holding Limited ("Namshi"), the Group granted a put option to GFG in respect of GFG's shareholding in Namshi. GFG had the right to require the Company to acquire GFG's entire shareholding in Namshi.

During the year, on 25 February 2019, the Group acquired the remaining 49% equity stake in its subsidiary, Namshi for a consideration of AED 496,872 thousands. Total consideration includes the amount paid to GFG amounting to AED 475,900 thousands and other shareholders of Namshi amounting to AED 20,972. The difference in the amount of consideration paid and the non-controlling interests amounting to AED 294,902 thousands has been directly recognised in the consolidated statement of changes in equity as required under IFRS 10.

Upon acquisition of remaining GFG's shareholding in Namshi, the financial liability previously recognised in the consolidated statement of financial position has been derecognised in the current year. The Group has recognised a gain on settlement of put option over non-controlling interests amounting to AED 15,689 thousands in the consolidated income statement.

(ii) On 9 January 2019, the Group incorporated a new subsidiary and entered into a Development Agreement ("DA") with Mina Rashid Properties L.L.C ("Mina Rashid") to develop Mina Rashid land into a mixed-use community (the "Mina Rashid Project"). As per the contractual arrangement, the Group obtain control over Mina Rashid which is a single owning entity and accordingly has consolidated the entity as at 31 December 2019, in accordance with the requirements of IFRS 10. As at 31 December 2019, on consolidation of Mina Rashid, the Group has recorded land within development properties amounting to AED 1,316,606 thousands, with a corresponding liability payable under trade and other payables. The Group has also agreed to share 30 per cent share of future profits earned from the Mina Rashid Project over the project life cycle.

Trade and other payables are non-interest bearing and for explanations on the Group's liquidity risk management process and maturity profile of financial liabilities refer note 32.

20 ADVANCES FROM CUSTOMERS

	2019 ***AED'000***	*2018* *AED'000*
Balance at the beginning of the year	**13,587,524**	17,884,310
Additions during the year	**19,057,403**	19,884,876
Revenue recognised during the year	**(22,260,186)**	(23,286,341)
Foreign currency translation differences	**(10,649)**	(513,434)
Forfeiture/ Other income recognised during the year	**(227,060)**	(381,887)
Balance at the end of the year	**10,147,032**	13,587,524

The aggregate amount of the sale price allocated to the performance obligations of the Group that are unsatisfied / partially unsatisfied as at 31 December 2019 is AED 36,569,110 thousands (excluding joint ventures and development agreements) (2018: AED 41,829,230 thousands). The Group expects to recognise these unsatisfied performance obligations as revenue over a period upto 5 years.

Revenue during the year, as stated above, is significantly recognised from the balance at 1 January 2019.

21 RETENTIONS PAYABLE

	2019 ***AED'000***	*2018* *AED'000*
Retentions payable within 12 months	**696,410**	548,480
Retentions payable after 12 months	**880,306**	728,491
	1,576,716	1,276,971

22 INTEREST-BEARING LOANS AND BORROWINGS

	2019 *AED'000*	*2018* *AED'000*
Balance at the beginning of the year	**13,641,731**	14,320,300
Add: Borrowings drawdown during the year	**12,426,583**	5,238,467
Less: Borrowings repaid during the year	**(11,694,585)**	(5,917,036)
Total	**14,373,729**	13,641,731
Add: Facilities payable on demand (note 9)	**1,428,435**	-
Less: Unamortised portion of directly attributable costs	**(16,627)**	(55,330)
Net interest-bearing loans and borrowings at the end of the year	**15,785,537**	13,586,401
Interest-bearing loans and borrowings maturity profile:		
Within 12 months	**5,039,053**	2,191,355
After 12 months	**10,746,484**	11,395,046
Balance at the end of the year	**15,785,537**	13,586,401
Interest-bearing loans and borrowings located:		
Within UAE	**9,626,455**	7,457,567
Outside UAE	**6,159,082**	6,128,834
	15,785,537	13,586,401

The Group has the following secured and unsecured interest-bearing loans and borrowings:

Secured

- USD 500,000 thousands (AED 1,836,500 thousands) of Syndicated facility, secured against certain investment properties owned by the Group in Turkey, carries interest at LIBOR plus 1.50% per annum and fully repayable by 2022.
- USD 36,576 thousands (AED 134,343 thousands) loan from commercial bank, secured against certain assets in Lebanon, carries interest at 8.5% per annum and is repayable by 2022.
- USD 8,967 thousands (AED 32,936 thousands) loan from a commercial bank, secured against certain assets in Lebanon, carries interest at 1.08% per annum and is repayable by 2020.
- AED 621,077 thousands represent loan from a commercial bank, secured against certain assets in the United Arab Emirates, carries interest at EIBOR plus 1.5% per annum and is repayable by 2024.
- INR14,468,747 thousands (AED 746,052 thousands) loans from commercial banks and financial institutions, secured against certain assets in India, bearing interest at rates ranging from 9.58% to 12.85% per annum and repayable by 2024.

Unsecured

- The Group had drawdown USD 800,000 thousands (AED 2,938,400 thousands) out of USD 1,500,000 thousands (AED 5,509,500 thousands) Revolving Credit Line Facility (the "Facility") availed from the syndication of commercial banks in UAE, carries interest at LIBOR plus 1.25% per annum and is repayable by 2021. The facility is presented in the consolidated financial statements at AED 2,937,115 thousands net of unamortised directly attributable transaction cost.
- The Group had drawdown USD 215,000 thousands (AED 789,695 thousands) out of USD 2,000,000 thousands (AED 7,346,000 thousands) Revolving Credit Line Facility (the "Facility") availed from the syndication of commercial banks in UAE, carries interest at LIBOR plus 1.25% per annum and is repayable by 2021. The facility is presented in the consolidated financial statements at AED 780,014 thousands net of unamortised directly attributable transaction cost.

22 INTEREST-BEARING LOANS AND BORROWINGS (continued)

Unsecured (continued)

- During the year, the Group has drawdown USD 943,500 thousands (AED 3,465,476 thousands) out of USD 1,000,000 thousands (AED 3,673,000 thousands) Revolving Credit Line Facility (the "Facility") availed from the syndication of commercial banks in UAE, carries interest at LIBOR plus 1.25% per annum and is repayable by 2022. The facility is presented in the consolidated financial statements at AED 3,459,815 thousands net of unamortised directly attributable transaction cost.

- AED 1,428,435 thousands represent facilities obtained from various commercial banks in the United Arab Emirates bearing interest of EIBOR plus 1% per annum and is repayable on demand.

- AED 400,000 thousands represent short term facilities obtained from commercial banks in the United Arab Emirates bearing interest of EIBOR plus 1% per annum and is in 2020.

- PKR 8,106,245 thousands (AED 192,118 thousands) loans from commercial banks, bearing interest at KIBOR plus 0.10% per annum and repayable in 2020.

- PKR 1,121,266 thousands (AED 26,574 thousands) loans from commercial banks, bearing interest at KIBOR plus 0.10% per annum and repayable in 2020.

- EGP 10,341 thousands (AED 2,366 thousands) of funding facilities from commercial banks in Egypt, bearing interest at rates ranging up to 1.0% plus CBE Corridor Rate and repayable by 2021.

- USD 380,000 thousands (AED 1,395,740 thousands) loan from a commercial bank in Turkey, bearing interest at LIBOR plus 1.25% per annum and repayable by 2020.

- USD 56,998 thousands (AED 209,355 thousands) loans from commercial banks in Lebanon, bearing interest up to 4.58% per annum and repayable by 2020.

- SAR 195,000 thousands (AED 191,100 thousands) loan from a commercial bank bearing interest at SIBOR plus 1% per annum – SIBOR plus 2% per annum and are repayable in 2020.

- INR 26,996,044 thousands (AED 1,391,997 thousands) loans from commercial banks in India, bearing interest at 8.00% to 10.40% per annum and repayable by 2024. The banks have a lien of AED 109,360 thousands (31 December 2018: AED 64,503 thousands) (refer note 9) towards various facilities.

23 SUKUK

A. Emaar Sukuk Limited:

Emaar Sukuk Limited (the "Issuer"), a limited liability company registered in the Cayman Islands and a wholly-owned subsidiary of the Group, has established a trust certificate issuance programme (the "Programme") pursuant to which the Issuer may issue from time to time up to USD 2,000,000 thousands (AED 7,346,000 thousands) of trust certificates in series.

Series 2:
On 18 July 2012, the Issuer had issued the second series of the trust certificates (the "Sukuk 2") amounting to USD 500,000 thousands (AED 1,836,500 thousands) under the Programme. Sukuk 2 carries a profit distribution at the rate of 6.4% per annum to be paid semi-annually. On 18 July 2019, upon maturity, the Issuer fully repaid the Sukuk 2 liability. The Sukuk 2 was listed on NASDAQ Dubai. The carrying value of Sukuk 2 is as follows:

	2019 ***AED'000***	*2018* *AED'000*
Sukuk liability as at year-end	-	1,835,270

23 SUKUK (continued)

Series 3:
On 15 September 2016, the Issuer had issued the third series of the trust certificates (the "Sukuk 3") amounting to USD 750,000 thousands (AED 2,754,750 thousands) under the Programme. The Sukuk 3 is listed on NASDAQ Dubai and is due for repayment in 2026. Sukuk 3 carries a profit distribution at the rate of 3.64% per annum to be paid semi-annually. The carrying value of Sukuk 3 is as follows:

	2019 ***AED'000***	*2018* *AED'000*
Sukuk liability as at year-end	**2,747,462**	2,746,576

Series 4:
On 17 September 2019, the Issuer has issued the fourth series of the trust certificates (the "Sukuk 4") amounting to USD 500,000 thousands (AED 1,836,500 thousands) under the Programme. The Sukuk 4 is listed on NASDAQ Dubai and is due for repayment in 2029. Sukuk 4 carries a profit distribution at the rate of 3.875% per annum to be paid semi-annually. The carrying value of Sukuk 4 is as follows:

	2019 ***AED'000***
Proceeds from issuance of the Sukuk	**1,836,500**
Less: Sukuk issuance cost	**(11,754)**
Sukuk liability on initial recognition	**1,824,746**
Profit accrued up to year end	**283**
Sukuk liability as at year-end	**1,825,029**

B. EMG Sukuk Limited:

On 18 June 2014, the EMG Sukuk Limited (the "Issuer"), a limited liability company registered in the Cayman Islands and a wholly owned subsidiary of Emaar Malls Group PJSC ("EMG") , has issued trust certificates (the "Sukuk") amounting to USD 750,000 thousands (AED 2,754,750 thousands). The Sukuk is listed on the NASDAQ Dubai and is due for repayment in 2024. The Sukuk carries a profit distribution rate of 4.6% per annum to be paid semi-annually.

The carrying value of Sukuk are as follows:

	2019 ***AED'000***	*2018* *AED'000*
Sukuk liability as at year-end	**2,743,873**	2,741,736

The total Sukuk liability is as follows:

	2019 ***AED'000***	*2018* *AED'000*
Emaar Sukuk Limited:		
- Series 2	**-**	1,835,270
- Series 3	**2,747,462**	2,746,576
- Series 4	**1,825,029**	-
EMG Sukuk Limited:		
- Sukuk	**2,743,873**	2,741,736
Total Sukuk liability as at year-end	**7,316,364**	7,323,582

24 EMPLOYEE BENEFITS

End-of-Service Benefits
The movement in the provision for employees' end-of-service benefits are as follows:

	2019	*2018*
	AED'000	*AED'000*
Balance at the beginning of the year	**162,810**	162,707
Acquisition of a subsidiary	**14,697**	-
Provided during the year	**39,904**	33,310
Paid during the year	**(40,482)**	(33,207)
Balance at the end of the year	**176,929**	162,810

Employees' Performance Share Programme
The Company has an Employee Performance Share Programme ("the Programme") to recognise and retain high performing staff. The Programme gives the employee the right to purchase the Company's shares at par. The shares carry full dividend and voting rights, and the option can be exercised at any time from the stipulated vested dates on the condition that the employee is still under employment at the exercise date. There are no cash settlement alternatives and the options have no contractual expiry date.

The following table illustrates the number (No.) and weighted average exercise prices (WAEP) of, and movements in, share options during the year:

	2019		*2018*	
	No.	**WAEP**	No.	WAEP
Outstanding at the beginning of the year	**59,743**	**AED 1.00**	59,743	AED 1.00
Granted during the year	**-**	-	-	-
Exercised during the year	**-**	-	-	-
Outstanding at the end of the year	**59,743**	**AED1.00**	59,743	AED1.00

The fair value of the vested shares is determined by reference to the official price list published by the Dubai Financial Market (DFM) for the 5 consecutive trading days prior to and after the vested date. As the options granted are deep in the money, management considers this to be an appropriate means of valuation.

25 SHARE CAPITAL

	2019	*2018*
	AED'000	*AED'000*
Authorised capital 7,159,738,882 shares of AED 1 each (2018: 7,159,738,882 shares of AED 1 each)	**7,159,739**	7,159,739
Issued and fully paid-up 7,159,738,882 shares of AED 1 each (2018: 7,159,738,882 shares of AED 1 each)	**7,159,739**	7,159,739

26 RESERVES

	Statutory reserve AED'000	*Capital reserve / Put option over non-controlling interests AED'000*	*General reserves AED'000*	*Hedging reserves AED'000*	*Share premium AED'000*	*Net unrealised gains (losses) reserve AED'000*	*Foreign currency translation reserve AED'000*	*Total AED'000*
Balance as at 31 December 2017	15,220,245	(392,976)	5,448,323	10,159	578,234	(1,151,417)	(3,050,281)	16,662,287
Increase / (decrease) in unrealised reserve	-	-	-	2,191	-	(206,425)	-	(204,234)
Decrease in foreign currency translation reserve	-	-	-	-	-	-	(473,009)	(473,009)
Net gain / (loss) recognised directly in equity	-	-	-	2,191	-	(206,425)	(473,009)	(677,243)
Other comprehensive income reclassified to the consolidated income statement	-	-	-	(12,350)	-	-	-	(12,350)
Net movement during the year	-	-	610,804	-	-	-	-	610,804
Balance as at 31 December 2018	15,220,245	(392,976)	6,059,127	-	578,234	(1,357,842)	(3,523,290)	16,583,498
Realised gain on financial assets at FVOCI (note 31)	-	-	-	-	-	393,011	-	393,011
Decrease in unrealised reserve	-	-	-	-	-	(1,655)	-	(1,655)
Increase in foreign currency translation reserve	-	-	-	-	-	-	350,282	350,282
Net gain / (loss) recognised directly in equity	-	-	-	-	-	391,356	350,282	741,638
Realised gain transferred to retained earnings (note 31)	-	-	-	-	-	(393,011)	-	(393,011)
Acquisition of non-controlling interests (note 19)	-	396,636	-	-	-	-	-	396,636
Acquisition of additional stake in a subsidiary (note 4(a))	-	-	-	-	-	-	(386,035)	(386,035)
Net movement during the year	-	-	620,003	-	-	-	-	620,003
Balance as at 31 December 2019	**15,220,245**	**3,660**	**6,679,130**	**-**	**578,234**	**(1,359,497)**	**(3,559,043)**	**17,562,729**

26 RESERVES (continued)

According to Article number 57 of the Articles of Association of the Company and Article 239 of the UAE Federal Law No. (2) of 2015, 10% of annual net profits are allocated to the statutory reserve and another 10% to the general reserve. The transfers to the statutory reserve may be suspended when the reserve reaches 50% of the paid-up capital. Transfers to the general reserve may be suspended by the ordinary general assembly when the reserve reaches 50% of the pai-up capital.

The statutory reserve is in excess of 50% of the paid-up share capital of the Company and therefore in accordance with a resolution of the Annual General Meeting, the Group has ceased further transfers to this reserve.

The statutory reserve includes:

- AED 2,475,000 thousands being the premium collected at AED 15 per share (shares par value at that time was AED 10 per share) on the 1:1.65 rights issue during the year ended 31 December 1998;

- AED 11,321,656 thousands being the premium collected to date at AED 4 per share (share par value at AED 1 per share) on the 1:1 rights issue announced during the year ended 31 December 2005;

- AED 1,348,331 thousands being the premium of AED 3.38 per share (share par value at AED 1 per share) on conversion of the notes having face value of USD 475,700 thousands (AED 1,747,246 thousands) on 22 January 2014; and

- AED 63,207 thousands being the premium of AED 3.38 per share (share par value at AED 1 per share) on conversion of the Notes having face value of USD 22,300 thousands (AED 81,907 thousands) on 22 December 2014.

Share premium relates to dilution of investment in Emaar Misr for Development SAE.

Capital reserve/ put option over non-controlling interest:

- Capital reserve of AED 3,660 thousands was created from the gain on sale of treasury shares in 2003.

- Put option over non-controlling interest represents present value of the put option over the non-controlling interest in Namshi. Also refer note 19.

Net unrealised gains/(losses) reserve:
- This reserve records fair value changes in financial assets at fair value through other comprehensive income and the Group’s share in fair value reserve of the joint ventures and associates.

Foreign currency translation reserve:
- The foreign currency translation reserve is used to record exchange difference arising from translation of the financial statements of foreign subsidiaries, associates and joint ventures.

Hedging reserves:
- Hedging reserves represents the effective portion of the gain or loss on the interest rate swap contracts held by the Group.

27 EARNINGS PER SHARE

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

Diluted earnings per share amounts are calculated by dividing the net profit or loss attributable to the owners of the Company (after adjusting for interest on the convertible notes) by the weighted average number of ordinary shares outstanding during the year plus the weighted average number of ordinary shares that would be issued on conversion of all the dilutive potential ordinary shares into ordinary shares.

27 EARNINGS PER SHARE (continued)

The information necessary to calculate basic and diluted earnings per share is as follows:

	2019 ***AED'000***	*2018* *AED'000* *(Restated)*
Earnings:		
Profit attributable to the owners of the Company	**6,200,029**	6,139,196

	2019	*2018*
Number of shares in thousands		
Weighted-average number of ordinary shares for basic earnings per share	**7,159,739**	7,159,739

	2019	*2018*
Earnings per share:		
- basic and diluted earnings per share (AED)	**0.87**	0.86

28 GUARANTEES AND CONTINGENCIES

a) Guarantees

1. The Group has issued financial guarantees and letters of credit of AED 58,644 thousands (31 December 2018: AED 237,917 thousands).

2. The Group has provided a financial guarantee of AED 5,000 thousands (31 December 2018: AED 5,000 thousands) as security for the letter of guarantee issued by a commercial bank for issuance of a trade license from the Government of Dubai.

3. The Group has provided a financial guarantee of AED 3,619 thousands (31 December 2018: AED 3,287 thousands) as security for the performance of its contractual obligations.

4. The Group has provided a performance guarantee of AED 6,800,239 thousands (31 December 2018 : AED 5,693,327 thousands) to the Real Estate Regulatory Authority (RERA), Dubai for its new projects as per RERA regulations.

5. The Group has provided a corporate guarantee of AED 73,460 thousands (31 December 2018: AED 73,460 thousands) to a commercial bank as security for the guarantees issued by the bank on behalf of the joint venture of the Group.

6. The Group has provided performance guarantees of AED 111,660 thousands (31 December 2018: AED 96,778 thousands) to various government authorities in India for its projects.

7. The Group has provided a letter of credit of USD 6,144 thousands (AED 22,566 thousands) (31 December 2018: AED 18,130 thousands) in Egypt for its project. The bank has a lien of USD 6,144 thousands (AED 22,566 thousands) (31 December 2018: AED 18,130 thousands) (refer note 9) towards this letter of credit.

8. The Group has provided a bank guarantee of EGP 50,000 thousands (AED 11,442 thousands) (31 December 2018: AED 10,253 thousands) to government authority in Egypt for its project. The bank has a lien of EGP 50,000 thousands (AED 11,442 thousands) (31 December 2018: AED 10,253 thousands) (refer note 9) towards this bank guarantee.

28 GUARANTEES AND CONTINGENCIES (continued)

b) Contingencies

1. Telangana State Industrial Infrastructure Corporation (TSIIC), (Erstwhile Andhra Pradesh Industrial Infrastructure Corporation Ltd), a joint venture partner in certain subsidiaries of the Group in India, issued a legal notice to the Emaar MGF Land Limited ("EMGF") to terminate certain development and operational management agreements which were entered into between EMGF, Emaar Hills Township Private Limited ("EHTPL" – a joint venture of the Group with TSIIC) and Boulder Hills Leisure Private Limited ("BHLPL" – a joint venture of the Group with TSIIC). TPIIC has filed another suit against EMGF to restrain EMGF from carrying out any activity related to these developments. In addition, there were a number of litigations which were initiated against the Group by third parties on the grounds of irregularities in acquisition and allocation of land.

   The management based on legal advice, is of the opinion that all the aforesaid suits filed by TPIIC shall be settled amicably by the parties under the Arbitration and Conciliation Act, 1996 of India or as per the Dispute Redressal Mechanism provided under AP Infrastructure Development Enabling Act, 2001 of India. Pending completion of various ongoing legal proceedings related to the above-mentioned projects and based on the legal advice received, the management believes that the allegations/matters raised are contrary to the factual position and hence are not tenable.

2. Emaar MGF Construction Private Limited (EMCPL), a subsidiary of the Group, had developed and constructed the Commonwealth Games Village (CWGV) in India on a PPP model as per Project Development Agreement (PDA) entered with Delhi Development Authority (DDA). After acknowledging the project completion by issuing occupancy certificate, DDA invoked the performance Bank Guarantee (BG) of INR 1,830 million (AED 94 million) on account of Liquidated Damages (LD) and other claims alleging that EMCPL, stating that EMCPL had not been able to achieve the time lines as per the terms of PDA. EMCPL contested the invocation of the BG with the High Court, which disposed of the said appeal by forming an Arbitral Tribunal and referred all disputes to the Arbitral Tribunal. Arbitral Tribunal directed both the parties to file their respective claims. Pursuant to this, EMCPL filed statement of facts along with claims amounting to INR 14,182 million (AED 732 million). DDA filed their reply to EMCPL's statement of facts and claims and also filed their counter claims amounting to INR 14,460 million (AED 746 million) including LD. The above matter is pending before the Arbitral Tribunal.

   The management believes, based on legal opinion, that EMCPL has met the requirements as per PDA and the LD imposed / BG invoked and other claims raised by DDA are not justifiable.

3. Ahluwalia Contracts (India) Limited (the "Contractor") appointed by EMCPL for the construction of the CWGV had filed certain claims which were not accepted by the EMCPL. Consequently, the Contractor invoked the arbitration and filed claims amounting to INR 4,200 million (AED 217 million) relating to the works supposed to have been carried out but not accepted by EMCPL. EMCPL also filed counter claims amounting to INR 11,703 million (AED 604 million) against the Contractor for deficient and defective works, adjustments in billing and payments in line with the contract and also a back to back claim on account of the invocation of the BG as stated above.

   The management believes that the Contractor has defaulted as per the Contract and claims raised by them are not in accordance with the terms of the contract. Accordingly, EMCPL is hopeful of a favourable decision from the arbitration panel.

4. During the normal course of business, various cases were filed by the homebuyers against the Group's subsidiaries in India in NCLT under the provision of Insolvency and Bankruptcy Code (Second Amendment) Act, 2018 ("Code"). Various such cases have already been disposed of by NCLT and remaining cases will be heard in due course. Management of these subsidiaries are taking appropriate steps for resolution and settlement of disputes with its customers. Based on the developments on various cases and legal advice received, management is confident that no material liability will devolve on these subsidiaries in respect of these cases.

c) Subsequent event

1. Subsequent to the reporting date, the outbreak of Covid-19 has caused disruptions to the Group's certain line of businesses. As the situation is fast evolving, the effect of the outbreak of Covid-19 is subject to significant levels of uncertainty, with the full range of possible effects unknown on the date of the approval of the consolidated financial statements.

29 COMMITMENTS

At 31 December 2019, the Group had commitments of AED 18,380,125 thousands (31 December 2018: AED 17,268,640 thousands) which include project commitments of AED 17,499,102 thousands (31 December 2018: AED 16,606,705 thousands). This represents the value of contracts entered into by the Group including contracts entered for purchase of plots of land at year end net of invoices received and accruals made at that date.

There were certain claims submitted by contractors and other parties relating to various projects of the Group in the ordinary course of business from which it is anticipated that no material unprovided liabilities will arise.

Operating lease commitments - Group as lessee

The Group had entered into various operating lease agreements for properties, office facilities and equipment. These leases have an average life of between 1 to 10 years. There are no restrictions placed upon by the Group on entering into these leases. Future minimum rentals payable under non-cancellable operating leases as at 31 December 2018 (prior to adoption of IFRS 16) were as follows:

	2018 *AED'000*
Within one year	115,822
After one year but not more than five years	159,933
More than five years	29,210
	304,965

Operating lease commitments - Group as lessor

The Group has entered into leases on its investment property portfolio. The future minimum rentals receivable under non-cancellable operating leases contracted for as at the reporting date but not recognised as receivables, are as follows:

	2019 ***AED'000***	*2018* *AED'000*
Within one year	**3,175,469**	2,863,009
After one year but not more than five years	**7,154,617**	7,122,364
More than five years	**1,711,699**	1,786,020
	12,041,785	11,771,393

30 DIVIDENDS

A cash dividend of AED 0.15 per share for 2018 was approved by the shareholders of the Company at the Annual General Meeting of the Company held on 23 April 2019.

The Board of Directors of the Company has proposed not to pay dividend for the year ended 2019.

31 RELATED PARTY DISCLOSURES

For the purpose of these consolidated financial statements, parties are considered to be related to the Group, if the Group has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group and the party are subject to common control. Related parties may be individuals or other entities.

Related party transactions
During the year, the following were the significant related party transactions, which were carried out in the normal course of business on terms agreed between the parties:

	2019 AED'000	*2018 AED'000*
Associates and Joint Ventures:		
Property development expenses	**83,448**	125,263
Capital expenditure	**26,333**	54,466
Islamic finance income	**2,386**	2,404
Selling, general and administrative expenses	**10,124**	7,171
Revenue from leasing, retail and related income	**3,926**	6,171
Cost of revenue	**1,141**	1,103
Other operating income	**2,156**	849
Directors, Key management personnel and their related parties:		
Selling, general and administrative expenses	**62,720**	106,300
Rental income from leased properties and related income	**99,221**	46,511
Other finance income	**-**	40,460
Islamic finance income	**338**	9,076
Finance costs incurred on interest-bearing loans and borrowings	**10,714**	1,626
Revenue from hospitality	**749**	948
Cost of revenue	**55,073**	720
Property development expenses	**-**	660
Other income	**4,700**	-
Other operating income	**23,116**	-

Related party balances
Significant related party balances (and the consolidated statement of financial position captions within which these are included) are as follows:

	2019 AED'000	*2018 AED'000*
Associates and Joint Ventures:		
Trade and other payables	**77,486**	46,614
Trade and unbilled receivables	**631**	424
Advance from customers	**18**	243
Directors, Key management personnel and their related parties:		
Bank balances and cash	**2,383**	134,125
Trade and unbilled receivables	**55,498**	7,895
Other assets, receivables, deposits and prepayments	**759,701**	747,896
Trade and other payables	**149**	40
Advance from customers	**27,721**	12,084

31 RELATED PARTY DISCLOSURES (continued)

Compensation of key management personnel

The remuneration of key management personnel during the year was as follows:

	2019 ***AED'000***	*2018* *AED'000*
Short-term benefits	**367,010**	429,527
Employees' end-of-service benefits	**12,003**	15,551
	379,013	445,078

During the year, the number of key management personnel is 228 (2018: 240).

During the year, the Company has paid a bonus of AED 7,350 thousands to the non-executive members of the Board of Directors for the year 2018 as approved by the shareholders at the Annual General Meeting of the Company held on 23 April 2019 (2018: AED 7,100 thousands).

During the year, the Group has sold financial assets at FVOCI for an amount AED 393,011 and recorded an equivalent gain in other comprehensive income (also refer note 26).

32 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

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

a) Credit risk;
b) Market risk; and
c) Liquidity risk.

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

The Board of Directors has overall responsibility for the establishment and oversight of the Group's risk management framework. Group's senior management are responsible for developing and monitoring the Group's risk management policies and report regularly to the Board of Directors on their activities.

The Group's current financial risk management framework is a combination of formally documented risk management policies in certain areas and informal risk management policies in others. The Group's risk management policies (both formal and informal) are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities.

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

The Group's principal financial liabilities, other than derivatives, comprise interest-bearing loans and borrowings, sukuk, retentions payable and trade and other payables. The main purpose of these financial instruments is to raise finance for the Group's operations. The Group has various financial assets such as bank balances and cash, trade and unbilled receivables, investment in securities, loan to joint ventures and associates and other receivables and deposits, which arise directly from its operations.

The Group also enters into derivative transactions, primarily interest rate swap contracts. The purpose is to manage the interest rate risk arising from the Group's sources of finance.

32 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

The Board of Directors reviews and agrees policies for managing each of these risks which are summarised below:

a) Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Group is exposed to credit risk principally from its receivables from customers, other receivables and from its financing activities, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments. Total financial assets at amortised cost amounted to AED 29,457,032 thousands (2018 AED: 27,057,190 thousands) as at the reporting date.

Trade, unbilled and other receivables
The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The demographics of the Group's customer base, including the default risk of the industry and country, in which customers operate, has less influence on credit risk. The Group earns its revenues from a large number of customers spread across different geographical segments. However, geographically 97% (2018: 97%) of the Group's trade and unbilled receivables are based in Middle East and North Africa.

The Group has entered into contracts for the sale of residential and commercial units and plots of land on an instalment basis. The instalments are specified in the contracts. The Group is exposed to credit risk in respect of instalments due. However, the legal ownership of residential, commercial units and plots of land is transferred to the buyer only after all the instalments are recovered. In addition, instalment dues are monitored on an ongoing basis with the result that the Group's exposure to bad debts is not significant.

The Group establishes an allowance for impairment at each reporting date that represents its estimate of expected credit losses in respect of trade, unbilled and other receivables. The provision rates are based on days past due for groupings of various customer segments with similar loss patterns. The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions. The Group has calibrated the matrix to adjust the historical credit loss experience with forward-looking information.

Other financial assets and cash deposits
With respect to credit risk arising from the other financial assets of the Group, which comprise bank balances and cash, investment in securities, loans to associates and joint ventures, other receivables and deposits, the Group's exposure to credit risk arises from default of the counterparty, with a maximum exposure equal to the carrying amount of these assets.

Credit risk from balances with banks and financial institutions is managed by Group's treasury in accordance with the Group's policy. The Group limits its exposure to credit risk by only placing balances with international banks and local banks of good repute. Given the profile of its bankers, management does not expect any counterparty to fail in meeting its obligations.

Guarantees
The Group's policy is to provide financial guarantees only to its subsidiaries and certain associates and joint ventures. For details of guarantees outstanding as at the reporting date refer note 28 to the consolidated financial statements.

Excessive risk of concentration
Concentration arise when a number of counterparties are engaged in similar business activities, or activities in the same geographical region, or have economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentrations indicate the relative sensitivity of the Group's performance to developments affecting a particular industry.

In order to avoid excessive concentration of risk, the Group's policies and procedures include specific guidelines to focus on the maintenance of a diversified portfolio. Identified concentrations of credit risks are controlled and managed accordingly. Selective hedging is used within the Group to manage risk concentrations at both the relationship and industry levels.

The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets.

32 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

b) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices, such as currency risk, interest rate risk and equity prices risks, which will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

The Group also enters into derivative transactions, primarily interest rate swap and put option over non-controlling interests. The purpose is to manage the interest rate risk arising from the Group's sources of finance.

The Group does not hold or issue derivative financial instruments for speculative purposes.

Exposure to interest rate risk
Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's long-term debt obligations with floating interest rates.

The Group manages its interest rate risk by having a balanced portfolio of fixed and variable rate loans and borrowings. Interest on financial instruments having floating rates is re-priced at intervals of less than one year and interest on financial instruments having fixed rates is fixed until the maturity of the instrument. Other than commercial and overall business conditions, the Group's exposure to market risk for changes in interest rate environment relates mainly to its borrowing from financial institutions, investment in financial products and fixed deposits.

The following table demonstrates the sensitivity to a reasonably possible change in interest rates, after the impact of hedge accounting, with all other variables held constant, of the Group's profit before tax (through the impact on floating rate borrowings):

	2019		*2018*	
	Change in basis points	***Sensitivity of interest expense AED'000***	*Change in basis points*	*Sensitivity of interest expense AED'000*
Financial liabilities	**± 100**	**152,024**	± 100	132,689

The interest rate sensitivity set out above relates primarily to the AED and USD denominated financial liabilities as the Group does not have any significant net exposure for financial liabilities denominated in currencies other than the AED or currencies pegged to the USD.

The investments in financial products are not for trading or speculative purposes but placed in securities or fixed deposits, with the objective of achieving better returns than cash at bank. The interest rates on loans to associates and joint ventures are described in note 14 to the consolidated financial statements. Interest rates on loans from financial institutions are disclosed in note 22 and 23 to the consolidated financial statements. The Group also carries certain fixed rate financial assets, which does not have any significant exposure on interest rate risk.

Exposure to foreign currency risk
Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Group's significant monetary assets and liabilities denominated in foreign currencies are either in USD or in currencies pegged to USD. As the AED is currently pegged to the USD, balances in USD and other currencies pegged against USD are not considered to represent significant currency risk.

However, the Group's exposure to the risk of changes in foreign exchange rates primarily relates to the Group's net investments in those subsidiaries and associates where functional currencies are denominated in a different currency from the Group's functional currency and which are not pegged to the AED and USD. The foreign currency exchange differences arising upon consolidation of these entities for the purpose of preparation of the Group's consolidated financial statements are recorded in the consolidated statement of changes in equity through the consolidated statement of comprehensive income.

32 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

b) Market risk (continued)

The table below indicates the sensitivity analysis of a change in foreign exchange rates of these currencies and their impact on other comprehensive income:

	2019		*2018*	
Currency	***Change in currency rate in %***	***Effect on equity / profit AED'000***	*Change in currency rate in %*	*Effect on equity / profit AED'000*
INR	**+10**	**207,611**	+10	125,752
EGP	**+10**	**405,124**	+10	310,103
Other currencies not pegged to US Dollar	**+10**	**8,842**	+10	10,427

Exposure to equity price risk
Equity price risk is the risk that the fair values of equities increase or decrease as a result of changes in the levels of equity indices and the value of individual stocks. The non-trading equity price risk exposure arises from the Group's investment portfolio. Equity price risk arises from equity instruments held by the Group at fair value through other comprehensive income and fair value through profit and loss. Management of the Group monitors equity securities in its investment portfolio based on market indices. Material investments within the portfolio are managed by qualified fund managers as well as on an individual basis. The primary goal of the Group's investment strategy is to maximise investment returns.

The effect on fair value of equity instruments (as a result of a change in the fair value of equity instruments held at fair value through other comprehensive income and fair value through profit and loss as at 31 December 2018) due to a reasonably possible change in equity indices, with all other variables held constant, is as follows:

	2019		*2018*	
	Change in equity price in %	***Effect on equity AED'000***	*Change in equity price in %*	*Effect on equity AED'000*
Quoted investments	**+10**	**55,700**	+10	55,491

Exposure to overseas country risks
Management monitors political and economic events and developments in countries where the Group operates to assess the likelihood of any potential impact to the Group's financial position and results of operations.

c) Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group monitors its risk to a shortage of funds using a recurring liquidity planning tool. This tool considers the maturity of both its financial investments and financial assets (e.g. trade and unbilled receivables, other financial assets) and projected cash flows from operations.

The cash flows, funding requirements and liquidity of Group companies are monitored on a centralised basis, under the control of Group Treasury. The objective of this centralised system is to optimise the efficiency and effectiveness of the management of the Group's capital resources. The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of bank overdrafts, bank borrowings and finance lease contracts. The Group manages liquidity risk by maintaining adequate reserves, banking facilities and borrowing facilities, by continuously monitoring forecasted and actual cash flows and matching the maturity profiles of financial assets and liabilities.

The Group currently has sufficient cash on demand to meet expected operational expenses, including the servicing of financial obligations.

32 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

c) Liquidity risk (continued)

The table below summarises the maturity profile of the Group's financial liabilities based on contractual undiscounted payments:

Financial liabilities	***Less than 3 months AED'000***	***3 to 12 months AED'000***	***1 to 5 years AED'000***	***Over 5 years AED'000***	***Total AED'000***
As at 31 December 2019					
Interest-bearing loans and borrowings	**3,316,243**	**1,980,018**	**12,595,952**	**-**	**17,892,213**
Retentions payable	**-**	**696,410**	**880,306**	**-**	**1,576,716**
Lease liabilities	**10,661**	**52,457**	**295,204**	**728,600**	**1,086,922**
Payable to non-controlling interests	**-**	**196,483**		**-**	**196,483**
Dividend payable	**290,488**	**-**	**-**	**-**	**290,488**
Sukuk	**85,650**	**211,377**	**1,125,242**	**7,902,092**	**9,324,361**
Other liabilities	**4,245,280**	**3,611,386**	**6,953,493**	**1,064,218**	**15,874,377**
Total undiscounted financial liabilities	**7,948,322**	**6,748,131**	**21,850,197**	**9,694,910**	**46,241,560**

Financial liabilities	*Less than 3 months AED'000*	*3 to 12 months AED'000*	*1 to 5 years AED'000*	*Over 5 years AED'000*	*Total AED'000*
As at 31 December 2018					
Interest-bearing loans and borrowings	1,083,103	2,078,740	13,112,227	234,097	16,508,167
Retentions payable	113,301	548,480	615,190	-	1,276,971
Payable to non-controlling interests	-	-	630,888	-	630,888
Dividend payable	291,438	-	-	-	291,438
Sukuk	171,699	2,008,199	903,448	5,872,768	8,956,114
Other liabilities	4,665,839	3,460,758	6,496,987	308,205	14,931,789
Total undiscounted financial liabilities	6,325,380	8,096,177	21,758,740	6,415,070	42,595,367

d) Capital management

Capital includes equity attributable to the equity holders of the Company. The Group's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The primary objective of the Group's capital management strategy is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximise shareholder value.

The Group monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Group's policy is to keep the gearing ratio below 50%. The Group includes within net debt, interest bearing loans and borrowings and sukuk less cash and cash equivalents. Capital includes equity attributable to the owners of the Company less the net unrealised gains/ (losses) reserve. At 31 December 2019, the Groups' gearing ratio is 23% (2018: 19%). The Board of Directors seeks to maintain a balance between the higher returns that might be possible with higher levels of borrowings and the advantages and security afforded by a sound capital position.

The Board of Directors also monitors the return on capital, which the Group defines as net operating income divided by total shareholders' equity, excluding minority interests. The Board of Directors also monitors the level of dividends to shareholders, the return on capital to shareholders or issuance of new shares to maintain or adjust the capital structure.

No changes were made in the objectives, policies or processes for managing capital during the years ended 31 December 2019 and 31 December 2018.

Neither the Company nor any of its subsidiaries is subject to externally imposed capital requirements other than the statutory requirements in the jurisdictions where the Group entities are incorporated.

33 FAIR VALUES OF FINANCIAL INSTRUMENTS

Financial instruments comprise financial assets and financial liabilities.

Financial assets of the Group include bank balances and cash, trade and unbilled receivables, investment in securities, loans and advances, other receivables and due from related parties. Financial liabilities of the Group include customer deposits, interest-bearing loans and borrowings, sukuk, accounts payable, retentions payable and other payable.

The fair values of the financial assets and liabilities are not materially different from their carrying value unless stated otherwise.

34 MATERIAL PARTLY-OWNED SUBSIDIARIES

Financial information of subsidiaries of the Group that have material non-controlling interest (NCI) are provided below:

	Country of incorporation	***NCI holding 2019***	*NCI holding 2018*
Emaar Malls PJSC	UAE	**15.37%**	15.37%
Emaar Development PJSC	UAE	**20.00%**	20.00%
Emaar Misr for Development SAE	Egypt	**11.26%**	11.26%
Renaissance Metn SAL	Lebanon	**35.00%**	35.00%
Emaar Giga Karachi Limited	Pakistan	**26.88%**	26.88%
Emaar Middle East LLC	KSA	**-**	39.00%
Emaar MGF Land Limited	India	**29.88%**	42.67%

The following table summarises the statement of financial position of these subsidiaries as at 31 December 2019. This information is based on the amounts before inter-company elimination.

	Emaar Malls PJSC AED'000	*Emaar Development PJSC AED'000*	*Emaar Misr for Development SAE AED'000*	*Renaissance Metn SAL AED'000*	*Emaar Giga Karachi Limited AED'000*	*Emaar MGF Land Limited AED'000*
Total assets	**24,239,764**	**33,480,845**	**7,945,485**	**722,514**	**873,937**	**11,357,003**
Total liabilities	**5,878,851**	**21,126,709**	**3,407,509**	**597,491**	**1,103,840**	**8,556,143**
Total equity	**18,360,913**	**12,354,136**	**4,537,976**	**125,023**	**(229,903)**	**2,800,860**
Attributable to:						
Owners of the Company	**15,538,841**	**7,679,965**	**4,051,245**	**81,265**	**(158,532)**	**1,886,503**
Non-controlling interest	**2,822,072**	**4,674,171**	**486,731**	**43,758**	**(71,371)**	**914,357**

The following table summarises the income statement of these subsidiaries as at 31 December 2019. This information is based on the amounts before inter-company elimination.

	Emaar Malls PJSC AED'000	*Emaar Development PJSC AED'000*	*Emaar Misr for Development SAE AED'000*	*Renaissance Metn SAL AED'000*	*Emaar Giga Karachi Limited AED'000*	*Emaar MGF Land Limited AED'000*
Revenue	**4,673,002**	**12,746,138**	**1,921,242**	**37,727**	**187,540**	**1,767,705**
Profit / (loss) for the year	**2,279,741**	**3,532,133**	**638,827**	**(11,387)**	**(39,546)**	**765,781**
Total comprehensive income for the year	**2,279,741**	**3,532,133**	**638,827**	**(11,387)**	**(39,546)**	**765,781**
Attributable to:						
Owners of the Company	**1,934,364**	**2,160,095**	**566,896**	**(7,401)**	**(28,916)**	**529,835**
Non-controlling interest	**345,377**	**1,372,038**	**71,931**	**(3,986)**	**(10,630)**	**235,946**

34 MATERIAL PARTLY-OWNED SUBSIDIARIES (continued)

The following table summarises the statement of financial position of these subsidiaries as at 31 December 2018. This information is based on the amounts before inter-company elimination.

	Emaar Malls PJSC AED'000	*Emaar Development PJSC AED'000*	*Emaar Misr for Development SAE AED'000*	*Renaissance Metn SAL AED'000*	*Emaar Giga Karachi Limited AED'000*	*Emaar Middle East LLC AED'000*	*Emaar MGF Land Limited AED'000*
Total assets	24,131,520	30,577,780	6,262,501	683,095	915,445	2,906,214	12,230,205
Total liabilities	6,723,396	19,910,877	2,795,313	546,684	1,107,053	2,832,409	10,248,520
Total equity	17,408,124	10,666,903	3,467,188	136,411	(191,608)	73,805	1,981,685
Attributable to:							
Owners of the Company	14,600,353	6,355,790	3,101,026	88,667	(130,531)	(21,850)	1,077,385
Non-controlling interest	2,807,771	4,311,113	366,162	47,744	(61,077)	95,655	904,300

The following table summarises the income statement of these subsidiaries as at 31 December 2018. This information is based on the amounts before inter-company elimination.

	Emaar Malls PJSC AED'000	*Emaar Development PJSC AED'000*	*Emaar Misr for Development SAE AED'000*	*Renaissance Metn SAL AED'000*	*Emaar Giga Karachi Limited AED'000*	*Emaar Middle East LLC AED'000*	*Emaar MGF Land Limited AED'000*
Revenue	4,445,894	15,433,410	1,313,077	57,588	-	106,912	1,342,204
Profit / (loss) for the year	2,200,089	5,634,620	743,166	(7,222)	(60,032)	(34,664)	58,152
Total comprehensive income for the year	2,200,089	5,634,620	743,166	(7,222)	(60,032)	(34,664)	58,152
Attributable to:							
Owners of the Company	1,887,252	3,120,927	659,486	(4,694)	(43,895)	(21,145)	33,338
Non-controlling interest	312,837	2,513,693	83,680	(2,528)	(16,137)	(13,519)	24,814