FIVE Holdings (BVI) Limited

Reissued consolidated financial statements
For the year ended 31 December 2021

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Independent auditor's report to the shareholder of FIVE Holdings (BVI) Limited

Report on the audit of the consolidated financial statements

Our opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of FIVE Holdings (BVI) Limited (the "Company") and its subsidiaries (together the "Group") as at 31 December 2021, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards.

What we have audited

The Group's consolidated financial statements comprise:

- the consolidated statement of financial position as at 31 December 2021;
- the consolidated statement of profit or loss for the year then ended;
- the consolidated statement of comprehensive income for the year then ended;
- the consolidated statement of changes in equity for the year then ended;
- the consolidated statement of cash flows for the year then ended; and
- the notes to the consolidated financial statements, which include significant accounting policies and other explanatory information.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the consolidated financial statements* section of our report.

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

Independence

We are independent of the Group in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (IESBA Code) and the ethical requirements that are relevant to our audit of the consolidated financial statements in the United Arab Emirates. We have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code.

Emphasis of Matter

We draw attention to Notes 2.1 (a) and 34 to the consolidated financial statements which describe the details of amendments made to the previously issued consolidated financial statements for the year ended 31 December 2021. The consolidated financial statements issued previously on 5 April 2022 have been amended following management's reassessment of the accounting of the contractual arrangements in respect of the transfer of certain condominium hotel units and hotel apartments. We previously issued our unqualified independent auditor's report on the consolidated financial statements for the year ended 31 December 2021 on 5 April 2022. Following these changes, we provide this new report on the reissued consolidated financial statements. Our opinion is not modified in respect of this matter.

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Jacques Fakhoury, Douglas O'Mahony, Wassim El Afchal, Murad Alnsour, Rami Sarhan and Virendra Dhirajlal Lodhia are registered as practicing auditors with the UAE Ministry of Economy

Independent auditor's report to the shareholder of FIVE Holdings (BVI) Limited (continued)

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 International Financial Reporting Standards and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditor's responsibilities for the audit of the consolidated financial statements

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

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

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

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

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

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

Independent auditor's report to the shareholder of FIVE Holdings (BVI) Limited (continued)

Auditor's responsibilities for the audit of the consolidated financial statements (continued)

- 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.

PricewaterhouseCoopers
PricewaterhouseCoopers
Dubai, United Arab Emirates
17 May 2023

Consolidated statement of financial position

	Note	As at 31 December 2021 AED'000 (As restated – see Note 34)	2020 AED'000 (As restated – see Note 34)
ASSETS			
Non-current assets			
Property and equipment	5	5,837,857	3,426,312
Right-of-use assets	6	102,951	103,317
Intangible assets		133	-
		5,940,941	3,529,629
Current assets			
Due from a related party	7	-	63,822
Trade and other receivables	8	535,656	130,602
Prepayments		50,920	6,834
Property held for development and sale	9	18,623	-
Inventory	10	13,950	6,795
Cash and cash equivalents	11	488,385	28,361
		1,107,534	236,414
Total assets		7,048,475	3,766,043
EQUITY AND LIABILITIES			
EQUITY			
Equity attributable to owner of the parent			
Share capital	12	-	-
Contributed capital	13	252,913	252,913
Statutory reserve	14	2,238	2,238
Revaluation reserve		3,486,063	1,835,034
Retained earnings/(accumulated losses)		471,091	(67,122)
		4,212,305	2,023,063
Non-controlling interests		129,397	144,272
Total equity		4,341,702	2,167,335
LIABILITIES			
Non-current liabilities			
Lease liabilities	6	101,706	106,401
Trade and other payables	15	63,591	66,914
Bank borrowings	16	1,166,052	116,822
Deferred tax liability	17	14,133	-
Contract liabilities	18	878	-
Provision for employees' end of service benefits	19	5,855	4,905
Retention payables		772	
Deferred gain	20	367,678	424,800
Finance liabilities	20	375,645	364,945
		2,096,310	1,084,787
Current liabilities			
Lease liabilities	6	25,423	18,823
Due to related parties	7	134,575	-
Trade and other payables	15	206,550	175,678
Bank borrowings	16	72,710	194,079
Contract liabilities	18	25,671	-
Retention payables		231	-
Deferred gain	20	67,134	59,860
Finance liabilities	20	78,169	65,481
		610,463	513,921
Total liabilities		2,706,773	1,598,708
Total equity and liabilities		7,048,475	3,766,043

These consolidated financial statements were approved by the Board of Directors on 17 May 2023 and signed on behalf of the Board of FIVE Holdings (BVI) Limited by:

Kabir Mulchandani
Chairman

FIVE HOLDINGS (BVI) LIMITED P.O.Box 118801 Dubai - UAE

Consolidated statement of profit or loss

	Note	Year ended 31 December 2021 AED'000 (As restated – see Note 34)	2020 AED'000 (As restated – see Note 34)
Revenue	21	1,408,873	457,570
Cost of sales	22	(537,652)	(183,270)
Depreciation	5,6	(138,306)	(134,774)
Gross profit		732,915	139,526
General and administrative expenses	23	(145,937)	(86,070)
Selling and marketing expenses	24	(68,560)	(24,478)
Net impairment losses on financial assets	8	(10,362)	(2,845)
Other income	26	15,955	25,399
Other expenses		-	(4,651)
Operating profit		524,011	46,881
Finance costs	27	(57,545)	(67,487)
Profit / (loss) for the year		466,466	(20,606)
Profit / (loss) for the year attributable to:			
Owner of the parent		455,027	(21,753)
Non-controlling interests		11,439	1,147
		466,466	(20,606)

	Year ended 31 December 2021 AED	2020 AED
Basic and diluted earnings / (loss) per share attributable to the Owner of FIVE Holdings (BVI) Limited	455,027	(21,753)

Consolidated statement of comprehensive income

	Year ended 31 December	
	2021 **AED'000** (As restated – see Note 34)	**2020** **AED'000** (As restated – see Note 34)
Profit / (loss) for the year	466,466	(20,606)
Other comprehensive income		
Items that will not be reclassified to profit or loss		
Revaluation surplus on property and equipment (Note 5)	1,748,312	469,383
Deferred tax liabilities on fair value gain in revaluation of property and equipment	(14,133)	-
Total comprehensive income for the year	2,200,645	448,777
Total comprehensive income for the year attributable to:		
Owner of the parent	2,175,932	451,327
Non-controlling interests	24,713	(2,550)
	2,200,645	448,777

Consolidated statement of changes in equity

	Attributable to Owners of the parent							
	Share capital AED'000	**Contributed capital AED'000**	**Statutory reserve AED'000**	**Revaluation reserve AED'000**	**Retained earnings/ (accumulated losses) AED'000**	**Total AED'000**	**Non-controlling interests AED'000**	**Total AED'000**
At 1 January 2020 (as previously reported)	-	252,913	2,238	678,137	91,351	1,024,639	150,020	1,174,659
Impact of restatement	-	-	-	730,046	(97,519)	632,527	-	632,527
At 1 January 2020 (as restated)	-	252,913	2,238	1,408,183	(6,168)	1,657,166	150,020	1,807,186
Loss for the year	-	-	-	-	(21,753)	(21,753)	1,147	(20,606)
Other comprehensive income	-	-	-	473,080	-	473,080	(3,697)	469,383
Total comprehensive income for the year ended 31 December 2020 (as restated)	-	-	-	473,080	(21,753)	451,327	(2,550)	448,777
Transactions with non-controlling interests								
Subscription to additional share capital (Note 31)	-	-	-	-	-	-	735	735
Dividend paid (Note 28)	-	-	-	-	-	-	(3,933)	(3,933)
Transactions with owner								
Dividend paid (Note 28)	-	-	-	-	(85,430)	(85,430)	-	(85,430)
Depreciation transfer for property and equipment under revaluation model				(46,229)	46,229	-	-	-
At 31 December 2020 (as restated)	-	252,913	2,238	1,835,034	(67,122)	2,023,063	144,272	2,167,335

Consolidated statement of changes in equity (continued)

	Attributable to owners of the parent							
	Share capital AED'000	Contributed capital AED'000	Statutory reserve AED'000	Revaluation reserve AED'000	Retained earnings/ (accumulated losses) AED'000	Total AED'000	Non-controlling interests AED'000	Total AED'000
At 1 January 2021 (as previously reported)	-	252,913	2,238	469,407	11,860	736,418	144,272	880,690
Impact of restatement	-	-	-	1,365,627	(78,982)	1,286,645	-	1,286,645
At 1 January 2021 (as restated)	-	252,913	2,238	1,835,034	(67,122)	2,023,063	144,272	2,167,335
Profit for the year	-	-	-	-	455,027	455,027	11,439	466,466
Other comprehensive income before tax impact	-	-	-	1,720,905	-	1,720,905	13,274	1,734,179
Total comprehensive income for the year ended 31 December 2021	-	-	-	1,720,905	455,027	2,175,932	24,713	2,200,645
Transactions with non-controlling interests								-
Purchase of non-controlling interest share in a subsidiary (Note 31)	-	-	-	-	-	-	(31,635)	(31,635)
Dividend paid (Note 28)	-	-	-	-	-	-	(7,953)	(7,953)
Transactions with owner in their capacity as owner:								
Profit on purchase of non-controlling interest (Note 31)	-	-	-	-	13,310	13,310	-	13,310
Depreciation transfer for property and equipment under revaluation model	-	-	-	(69,876)	69,876	-	-	-
At 31 December 2021 (As restated)	-	252,913	2,238	3,486,063	471,091	4,212,305	129,397	4,341,702

Consolidated statement of cash flows

	Note	Year ended 31 December 2021 AED'000 (As restated – see Note 34)	2020 AED'000 (As restated – see Note 34)
Cash flows from operating activities			
Profit / (loss) for the year		466,466	(20,606)
Adjustments for:			
Depreciation of property and equipment	5	119,504	109,850
Depreciation of right-of-use assets	6	18,802	24,924
Net impairment losses trade receivables		10,362	2,845
Loss on sale of property and equipment		-	(180)
Interest on lease liabilities	27	7,676	7,892
Interest on finance liabilities	27	62,207	45,185
Provision for employees' end of service benefits	19	1,826	2,417
Amortisation of deferred gain	27	(41,142)	(9,734)
Interest income	27	-	(584)
Interest cost on bank borrowings	27	24,797	24,728
Other finance cost	27	4,007	-
Changes in working capital:			
Property held for development and sale	9	(18,623)	-
Inventories	10	(7,155)	1,585
Trade and other receivables	8	(412,375)	7,731
Prepayments		(44,086)	2,481
Due from a related party	7	63,822	(62,664)
Due to a related parties	7	134,574	(1,363)
Trade and other payables	15	29,021	(53,246)
Retention payables		1,003	-
Contract liabilities	18	26,549	-
Employee's end of service benefits paid	19	(876)	(1,134)
Net cash generated from operating activities		447,359	80,127
Cash flows from investing activities			
Purchase of property and equipment	5	(814,958)	(28,052)
Proceed from sale of property and equipment		32,220	-
Purchase of intangible assets		(133)	-
Proceeds from sale of investment property		-	9,498
Interest income	27	-	584
Net cash used in investing activities		(782,871)	(17,970)
Cash flows from financing activities			
Proceeds from financing arrangements	20	14,683	53,479
Interest payment of finance liabilities	20	(62,207)	(30,113)
Purchase of non-controlling interest share in a subsidiary	31	(18,325)	-
Subscription to share capital by Non-controlling interest	31	-	735
Interest paid on bank borrowings	27	(28,804)	(24,728)
Payment of lease liabilities	6	(19,573)	(15,963)
Interest paid on lease liabilities	27	(7,675)	(7,892)
Dividends paid	7	(9,425)	(89,377)
Proceed from bank borrowings		1,195,926	36,924
Repayment of from bank borrowings		(268,064)	(49,085)
Proceeds from overdraft		-	19,999
Net cash generated for/ (used in) financing activities		796,536	(106,021)
Net increase / (decrease) in cash and cash equivalents		460,024	(43,864)
Cash and cash equivalents, beginning of the year		28,361	72,225
Cash and cash equivalents, end of the year	11	488,385	28,361

1 Legal status and operations

FIVE Holdings (BVI) Limited (the "Company") is a Company limited by shares registered on 30 August 2013 with Registrar of Corporate Affairs in British Virgin Islands. The registered address of the Company is P.O. Box 957, Offshore Incorporations Centre, Road Town, Tortola, British Virgin Islands. Kabir Mulchandani is the ultimate controlling and ultimate beneficial owner (the "Owner").

The principal activities of the Group is to provide hospitality services in UAE and Switzerland along with real estate development.

The Company owns 100% equity stake in FIVE Holding Limited, an entity incorporated in Dubai International Financial Centre ("DIFC"), Dubai – United Arab Emirates ("UAE"). The Company along with its subsidiaries (together the "Group") acts as an investment vehicle holding interests in the following principal subsidiaries:

Name of entity (subsidiary)	**Principal activity**	**31 December**	
		2021	**2020**
United Arab Emirates			
FIVE Holding Limited	Holding Company	100	100
SKAI Holdings Group Limited	Holding Company	100	100
FIVE International Holding Limited	Holding Company	100	100
FIVE JBR Holding (DIFC) limited	Property holding Company	100	100
Devco Real Estate Development LLC	Real Estate development Company	100	100
FIVE Hotel JBR LLC	Hotel operating Company	100	100
FIVE Real Estate Development LLC	Real Estate development Company	100	100
Assas Investments Limited	Property holding Company	90	90
FIVE Hotel Jumeirah Village L.L.C	Hotel operating Company	100	100
FIVE Mansion Restaurant LLC	Restaurant operating Company	100	100
FIVE Investment LLC	Holding Company	100	100
Unlimited 1 Limited	Property holding Company	100	100
FIVE Holiday Homes Rental LLC	Holiday Homes Rental Company	100	100
Rehan Limited	Property holding Company	100	100
Ananda Investments Limited	Property holding Company	100	100
FIVE Hotel FZE	Hotel operating Company	100	100
FIVE International Hotel Management L.L.C	Hotel management Company	100	100
Five Beach Club Limited	Property holding Company	85	65
Praia Restaurant FZE	Restaurant operating Company	100	100
FIVE International Hotel Management Limited	Hotel management Company	100	-
Cayman Islands			
FIVE Development LLC	Holding Company	100	100
Unlimited 1 Development	Holding Company	100	100
FIVE Hospitality LLC	Holding Company	100	100
Sky's the Limit 1	Holding Company	100	100
Switzerland			
5 Atlantis AG	Property holding and Hotel operating Company	100	

2 Significant accounting policies

2.1 Basis of preparation

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the years presented, except for adoption of new accounting standards as explained in note 2.1 (b).

The consolidated financial statements of the Group have been prepared in accordance with International Financial Reporting Standards ("IFRS") and interpretations issued by the IFRS Interpretations Committee ("IFRSIC") applicable to companies reporting under IFRS. The consolidated financial statements comply with IFRS as issued by the International Accounting Standards Board ("IASB").

2 Significant accounting policies (continued)

2.1 Basis of preparation (continued)

The consolidated financial statements have been prepared under the historical cost convention except for property and equipment carried on revaluation basis. The preparation of consolidated financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 4.

The Statement of Profit or loss is presented on the basis of by function. However, depreciation is separately presented within gross profit, this is considered appropriate presentation as the depreciation is a material line item, and IAS 1 "Presentation of Financial Statements", permits material items to be separately presented.

(a) Reissuance of the previously issued consolidated financial statements

The consolidated financial statements of the Group for the year ended 31 December 2021 issued previously on 5 April 2022 have been withdrawn and are replaced by these consolidated financial statements, following management's reassessment of the accounting of the contractual arrangements in respect of the transfer of certain condominium hotel units and hotel apartments, which were previously accounted for under IFRS 15 "Revenue from Contracts with Customers". Upon reassessment, these arrangements were determined to be financing in nature and should have been accounted for under IFRS 9 "Financial Instruments". Further details of the change in accounting treatment is explained in Note 34 besides certain enhanced disclosures. These revisions impact the amounts previously reported in the consolidated statement of financial position as at 31 December 2021 and 2020, consolidated statements of profit or loss, comprehensive income, cash flows, changes in equity and notes to the consolidated financial statements for the years ended 31 December 2021 and 2020.

(b) Changes in accounting polices and disclosures

(i) New and revised IFRS applied with material effect on the financial statements

- COVID-19 - Related rent concessions - Amendment to IFRS 16
- Definition of material – Amendments to IAS 1 and IAS 8;
- Definition of a business – Amendments to IFRS 3;
- Interest Rate Benchmark Reform – Amendments to IFRS 9, IAS 39 and IFRS 7; and
- Revised Conceptual Framework for Financial Reporting.

The above amendments and interpretations to accounting standards, which have been adopted from 1 January 2020, did not have any impact on the Group's consolidated financial statements and did not require retrospective adjustments and there are no other standards, amendments or interpretations that became effective for the first time for the annual reporting period commencing 1 January 2020 and have a material impact on the Group.

(ii) New and revised IFRSs in issue but not yet effective

- Amendments to IAS 1 - Classification of liabilities as current or non-current;
- Amendments to IFRS 3 – Reference to conceptual framework;
- Amendments to IAS 16 - Property, plant and equipment - Proceeds before intended use;
- Amendments to IAS 37 – Onerous Contracts;
- Amendments to IFRS 10 and IAS 28 - Sale or contribution of assets between an investor and its associate or joint venture; and
- Annual improvements 2018-2020 Cycle.
- Amendments to IAS 1 - Deferment of January 2020 amendments, classification of liabilities and disclosure of accounting policies (effective 1 January 2023); and
- Amendments to IAS 12 - Deferred tax on leases and decommissioning obligations (effective 1 January 2023).

Management's view is that these are not expected to have material impact on the Group in the current or future reporting periods.

2 Significant accounting policies (continued)

2.1 Basis of preparation (continued)

Alternative performance measures

The Group has identified certain measures that it believes will assist the understanding of the performance of the business. These alternative performance measures ("APMs") are not defined or specified under the requirements of IFRS. The Group believes that these APMs, which are not considered to be a substitute for, or superior to, IFRS, provide stakeholders with an additional useful information on the underlying trends, performance and position of the Group and are consistent with how business performance is measured internally. The APMs are not defined by IFRS and therefore may not be directly comparable with other companies' alternative performance measures.

The key APM that the Group uses is EBITDA. This APM is set out in note 32 including an explanation of how it is calculated and how it reconciles to a statutory measure where relevant. These measures exclude the below items as defined below.

Exceptional items
The Group classifies certain one-off charges or credits that have a material impact on the Group's financial results as 'exceptional items. These are disclosed separately to provide further understanding of the financial performance of the Group. Management splits out these costs for internal purposes when reviewing the business.

Pre-opening costs
Pre-opening costs can vary significantly depending on the number of new sites acquired and opened in any period, and so do not reflect the costs of the day-to-day operations of the business. These costs are therefore split out in order to aid comparability with prior periods. Site pre-opening costs refer to costs incurred in getting new sites operational, and primarily include costs incurred before opening and in preparing for launch.

Acquisition-related costs
Acquisition-related costs are costs incurred to effect a business combination. Those costs include advisory, legal, accounting, valuation and other professional or consulting fees including employees' bonuses in connection with the successful completion of a transaction. Acquisition-related costs are expensed in the period in which the costs are incurred, and the services are received.

2.2 Basis of consolidation

(a) Subsidiaries

Subsidiaries are all entities over which the Group has control. The group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The Group applies the acquisition method to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred to the former owners of the acquiree and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date.

The Group recognises any non-controlling interest in the acquiree on an acquisition-by-acquisition basis, either at fair value or at the non-controlling interest's proportionate share of the recognised amounts of acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred.

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 at the acquisition date through profit or loss.

2 Significant accounting policies (continued)

2.2 Basis of consolidation (continued)

(a) Subsidiaries (continued)

Any contingent consideration to be transferred by the Group is recognised at fair value at the acquisition date. Any subsequent change to the fair value of the contingent consideration that is deemed to be an asset or liability is recognised in accordance with IFRS 9 either in profit or loss or as a change to other comprehensive income. Contingent consideration that is classified as equity is not remeasured, and its subsequent settlement is accounted for within equity.

The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the identifiable net assets acquired is recorded as goodwill. If the total of consideration transferred, non-controlling interest recognised and previously held interest measured is less than the fair value of the net assets of the subsidiary acquired in the case of a bargain purchase, the difference is recognised directly in the retained earnings in statement of equity. This reserve is used to record the differences which may arise as a result of transactions with non-controlling interests that do not result in a loss of control.

Inter-company transactions, balances, income and expenses on transactions between Group companies are eliminated. Profits and losses resulting from inter-company transactions that are recognised in assets are also eliminated. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Transfer of businesses under common control is accounted for under the uniting of interest method. Business combinations involving entities under common control do not fall under the scope of IFRS 3 "Business Combinations". Under the uniting of interest method there is no requirement to fair value the assets and liabilities of the transferred entities and hence no goodwill is created as the balances remain at book value. The results and cash flows of the subsidiaries are consolidated from the beginning of the comparative financial period. The consolidated statement of comprehensive income and the consolidated statement of financial position comparatives are also presented as if the Company had been the intermediate parent undertaking of the Group throughout the current and previous year. The aim is to present the consolidated financial statements as though the Group had always been consolidated.

(b) Interests in equity-accounted investees

The Group's interest in equity-accounted investees comprise interests in associates and joint ventures.

Associates are those entities in which the Group has significant influence, but not control or joint control, over the financial and operating policies. A joint venture is a joint arrangement whereby the parties have joint control of the arrangement and have rights to the net assets of the arrangement.

Investments in equity-accounted investees are accounted for using the equity method of accounting and are initially recognised at cost. The Group's investment in equity-accounted investees includes goodwill identified on acquisition, net of any accumulated impairment loss.

Subsequent to initial recognition, the consolidated financial statements include the Group's share of post-acquisition profits or losses in the consolidated statement of comprehensive income, its share of post-acquisition movements in other comprehensive income is recognised as other comprehensive income within the consolidated statement of comprehensive income and its share of post-acquisition movements in reserves is recognised in the consolidated statement of comprehensive income. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment.

When the Group's share of losses in equity-accounted investees equals or exceeds its interest in the equity-accounted investees, including any other unsecured receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the equity-accounted investees. Unrealised gains on transactions between the Group and its equity-accounted investees are eliminated to the extent of the Group's interest in the equity-accounted investees. Unrealised losses are also eliminated unless the transaction provides evidence of impairment of the asset transferred.

2 Significant accounting policies (continued)

2.2 Basis of consolidation (continued)

(c) Disposal of subsidiaries

When the Group ceases to have control any retained interest in the entity is re-measured to its fair value at the date when control is lost, with the change in carrying amount recognised in profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

(d) Acquisitions that do not meet the definition of a business

When an entity is acquired which under IFRS 3 meets the definition of an asset acquisition as opposed to a business combination, the individual assets and liabilities acquired are identified, and the cost of the transaction is allocated to the assets acquired and liabilities assumed based on their relative fair values at the date of purchase. No goodwill is recognised on these transactions. All transactions costs are capitalised as part of the assets acquired.

2.3 Foreign currency translation

(a) Functional and presentation currency

Items included in the consolidated financial statements of the Group are measured using the currency of the primary economic environment in which the entity operates (‘the functional currency’). The consolidated financial statements are presented in United Arab Emirates Dirham (“AED”), which is the Groups functional and presentation currency. Each subsidiary in the Group determines its own functional currency and items included in the financial statements of each subsidiary are measured using the respective functional currency.

(b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions, and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates, are generally recognised in consolidated statement of profit or loss. They are deferred in equity if they relate to qualifying cash flow hedges and qualifying net investment hedges or are attributable to part of the net investment in a foreign operation.

Foreign exchange gains and losses that relate to borrowings are presented in the consolidated statement of profit or loss, within finance costs. All other foreign exchange gains and losses are presented in the consolidated statement of profit or loss on a net basis within other gains/(losses).

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss. For example, translation differences on non-monetary assets and liabilities such as equities held at fair value through profit or loss are recognised consolidated statement of profit or loss as part of the fair value gain or loss, and translation differences on non-monetary assets such as equities classified as at fair value through other comprehensive income are recognised in consolidated statement of other comprehensive income.

(c) Consolidation of the foreign operations

On consolidation, the results of overseas operations are translated into AED at rates approximating to those ruling when the transactions took place. All assets and liabilities of overseas operations, including goodwill arising on the acquisition of those operations, are translated at the rate ruling at the reporting date. Exchange differences arising on translating the opening net assets at opening rate and the results of overseas operations at actual rate are recognised in other comprehensive income and accumulated in the foreign exchange translation reserve. Exchange differences recognised in profit or loss in Group entities' separate financial statements on the translation of long-term monetary items forming part of the Group's net investment in the overseas operation concerned are reclassified to other comprehensive income and accumulated in the foreign exchange translation reserve on consolidation. On disposal of a foreign operation, the cumulative exchange differences recognised in the foreign exchange reserve relating to that operation up to the date of disposal are transferred to the consolidated statement of comprehensive income as part of the profit or loss on disposal.

2 Significant accounting policies (continued)

2.4 Property and equipment

Land, buildings and capital work-in-progress are initially recognised at cost, and classified as buildings upon commissioning, are stated at fair value based on annual valuations performed by external independent valuers less impairment and depreciation . Valuations are performed with sufficient regularity to ensure that the fair value of a revalued asset does not differ materially from it carrying amount. All other assets under property and equipment are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset’s carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised.

All other repairs and maintenance are charged to the profit and loss account during the financial period in which they are incurred.

Increases in the carrying amounts arising on revaluation of land and buildings are recognised, net of tax, in other comprehensive income and accumulated in revaluation reserve in shareholders’ equity. To the extent that the increase reverses a decrease previously recognised in profit or loss, the increase is first recognised in profit or loss. Decreases that reverse previous increases of the same asset are first recognised in other comprehensive income to the extent of the remaining surplus attributable to the asset; all other decreases are charged to profit or loss. Each year, the difference between the depreciation based on the revalued carrying amount of the asset charged to profit or loss and depreciation based on the asset’s original cost, net of tax, is reclassified from the property, plant and equipment revaluation reserve to the retained earnings.

The leasehold improvements are depreciated over the period of lease or life of asset whichever is less.

Land is not depreciated. Depreciation on other assets is calculated using the straight-line method to allocate their cost or revalued amounts to their residual values over their estimated useful lives, as follows:

Type of assets	**Years**
Land and buildings	30
Equipment	4 - 5
Furniture and fixtures	5
Motor vehicles	5
Leasehold improvements	5-10

The assets’ residual values and useful lives are reviewed, and adjusted if appropriate, at each consolidated statement of financial position date. An asset carrying amount is written down immediately to its recoverable amount if the asset’s carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the asset’s carrying amount. These are recognised in the consolidated statement of comprehensive income. When revalued assets are sold, the amounts included in revaluations reserves are transferred to retained earnings.

When commissioned, capital work-in-progress is transferred to the respective category, and depreciated in accordance with the Group’s policy.

2.5 Transfers

Transfers between property, plant and equipment, and property held for development and sale are made when there is a change in use evidenced by commencement of owner-occupation or development with a view to sale, end of owner-occupation or commencement of an operating lease to another party, as applicable. All transfers are made at carrying value on the date of transfer.

2 Significant accounting policies (continued)

2.6 Financial instruments

Financial instruments

Financial assets and financial liabilities are recognised in the Group's statement of financial position when the Group becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value, except for trade receivables that do not have a significant financing component which are measured at transaction price. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

Financial assets at amortised cost

The Group classifies its financial assets at amortised cost. The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

The Group's financial assets include cash and cash equivalents, due from related parties, and trade and other receivables (excluding advances to suppliers, prepayments and municipality fees receivable). There are no financial assets carried at fair value through profit and loss or through other comprehensive income.

Financial assets at amortised cost

At initial recognition, the Group measures financial assets at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Such financial assets are subsequently measured at amortised cost using the 'EIR' method less impairment. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the consolidated statement of profit or loss. The losses arising from impairment and subsequent reversal of such losses are recognised in the consolidated statement of profit or loss under Net impairment reversal / (losses) on financial assets (excluding advances to suppliers, prepayments and municipality fees receivable).

- Cash and cash equivalents comprise balances in current accounts at banks, and cash on hand excluding escrow accounts.
- Trade receivables are amounts due from customers for properties sold or services provided in the ordinary course of business. If collection is expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are presented as non-current assets.
- Deferred sales commission relates to the amortization of sales commission to be paid to the brokers based on percentage of completion.
- Contract assets or unbilled receivables relate to the Group's right to receive consideration for the satisfied performance obligations but not billed at the reporting date, unbilled receivables are recognised initially at the amount of consideration that is unconditional unless they contain significant financing components, when they are recognised at fair value.

Impairment of financial assets

The Group's financial assets that are subject to the expected credit loss model are trade and other receivables (excluding advances to suppliers, prepayments and municipality fees receivable).

2 Significant accounting policies (continued)

2.6 Financial instruments (continued)

Impairment of financial assets (continued)

While, cash and cash equivalents are also subject to the impairment requirements of IFRS 9, the identified impairment loss is immaterial.

The Group applies the IFRS 9 simplified approach to measure expected credit losses which uses a lifetime expected loss allowance for all trade receivables and unbilled receivables. To measure the expected credit losses, trade receivables and unbilled receivables have been grouped based on shared credit risk characteristics and the days past due. The unbilled receivables relate to unbilled work in progress and have substantially the same risk characteristics as the trade receivables for the same type of contracts. The Group has therefore concluded that the expected loss rates for trade receivables are a reasonable approximation of the loss rates for the unbilled receivables. The Group has established a provision matrix that is based on the Group's historical credit loss experience, which is adjusted for expected cash flows from the realisation of the assets' collateral, if any, and further adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables.

Trade receivables and unbilled receivables are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of a debtor to engage in a repayment plan with the Group. Impairment losses on trade receivables and unbilled receivables are written off when there is no reasonable expectation of recovery. Subsequent recoveries of amounts previously written off are credited against the same line item.

At each reporting date, the Group assess whether financial assets carried at amortised cost are impaired. Evidence of credit impairment may include indications that the debtors or a group of debtors are experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganisation and an observable data indicating that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults. The company also on case to case basis assesses the risk of default for amounts outstanding for over 90 days.

Recognition and derecognition of financial assets

Regular way purchases and sales of financial assets are recognised on trade-date, the date on which the Group commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership.

A financial asset is derecognised when:

- the rights to receive cash flows from the asset have expired,
- 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,
- the Group has transferred its rights to receive cash flows from the asset and either:
  - i) has transferred substantially all risks and rewards of the asset or
  - ii) 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.

2 Significant accounting policies (continued)

2.6 Financial instruments (continued)

Financial Liabilities

Classification and measurement

The Group classifies its financial liabilities at amortised cost which include trade and other payables (excluding advances from customers, VAT payable and municipality fee payable), bank borrowings, finance liability, lease liability, retention payable, contract liabilities and due to related parties. There are no financial liabilities carried at fair value through profit and loss or through other comprehensive income.

Financial liabilities at amortised cost

Trade payables

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities. Trade payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

Other liabilities at amortised cost

The Group has entered into agreements with buyers-lessors of condo hotel units sold in current and previous years. The terms of these arrangements are such that they are in substance financing arrangements, whilst the legal form reflects a sale and lease back. As per the significant judgements made in note 4.7a, it has been assessed that the arrangements meet the definition of a financial liability. At initial recognition these arrangements are measured at fair value taking into account the estimated future cash flows to be generated from these arrangements. The estimated cash flows are based on the terms of the contractual arrangements, these arrangements include both fixed and variable payment terms.

The expected cash flows are discounted using the effective interest rate method (“EIR Method”), using a discount rate which is reflective of the risks inherent with such an arrangement. The determination of the discount rate is considered a significant judgement and the assumptions have been disclosed in Note 4.7b. The interest expense recognised using effective interest rate method in the consolidated statement of profit or loss within ‘Finance cost’.

Upon discounting the cash flows using the EIR Method, the financial liability is recognised at fair value. Due to the assumptions used in determining the discount rate, this results in a day 1 difference in the fair value of the cash flows . For the arrangements in place at the reporting date, there was a day 1 gain, which is deferred on the balance sheet as the measurement of these instruments was not based on observable market prices and therefore cannot be recognised in the Statement of Comprehensive Income on day 1. The gain has been deferred and is being amortised over systematic basis relative to the underlying term of the financing arrangements. These amounts are recognised in the Statement of Profit or loss as “Finance Income”.

The deferred gain is presented in the Statement of Financial Position separately from the underlying financial liability.

At the end of each reporting period, the Group will re-estimate the future cash outflows based on revised assumptions, and discount these using the original EIR. Any difference between the carrying value of financial liability and the re-estimated liability value will be recognised in the consolidated statement of profit or loss within finance costs.

The financial liability is split between current and non-current based on the expected cash out flow in within twelve months from the reporting date. The deferred day 1 gain or loss is split between current and non-current based on the expected amortisation to consolidated statement of profit or loss within twelve months from the reporting date.

2 Significant accounting policies (continued)

2.6 Financial instruments (continued)

Financial Liabilities (continued)

Derecognition of financial liabilities

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

2.7 Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the consolidated statement of financial position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the group or the counterparty.

2.8 Trade receivables and unbilled receivables

Trade and unbilled receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less loss allowance. If collection is expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are presented as non-current assets.

The carrying amount of the asset is reduced through the use of a loss allowance account, and the amount of the loss is recognised in the consolidated statement of comprehensive income.

2.9 Cash and cash equivalents

For the purpose of presentation in the consolidated statement of cash flows, cash and cash equivalents includes cash on hand, current accounts including restricted cash held with financial institutions.

2.10 Provision for employees' end of service benefits

An accrual is made for employee's entitlements to annual leave and leave passage as a result of service rendered by the employees up to the reporting date.

A provision is made, using actuarial techniques, for the full amount of end of service benefits due to non-UAE national employees in accordance with the UAE Labour Law for their periods of service up to the statement of financial position date. The accrual relating to annual leave and leave passage is disclosed as a current liability and included in other payables, while that relating to end of service benefits is disclosed as a non-current liability in the consolidated statement of financial position.

The present value of the defined benefit obligation is determined by discounting estimated future cash outflows using market yields at the end of the reporting period of high quality corporate bonds that are denominated in the currency in which the benefits will be paid and have terms approximating to the estimated term of the retirement benefit obligations.

Actuarial gains and losses arising from changes in actuarial assumptions and experience adjustments are recognised in equity through the consolidated statement of comprehensive income in the period in which they arise.

2 Significant accounting policies (continued)

2.11 Contract liabilities

Instalments received from customers, for sale of property, prior to meeting the revenue recognition criteria, are recognised as contract liabilities. These are subsequently released to the consolidated statement of comprehensive income once the revenue recognition criteria are met

2.12 Provisions

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

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

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a rate that reflects current market assessments of the time value of money and risks specific to the obligation. Increases in provisions due to the passage of time are recognised as interest expense.

Present obligations arising under onerous contracts are recognised and measured as provisions. An onerous contract is considered to exist where the Group has a contract under which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under it.

2.13 Property held for development and sale (“PHDS”)

Properties acquired, constructed or in the course of construction for sale in the ordinary course of business are classified as Property held for development and sale (“PHDS”) 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 including the cost of construction of buildings; and
- 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 applicable variable selling expenses.

2 Significant accounting policies (continued)

2.14 Impairment of non-financial assets

Assets that are subject to depreciation/amortisation are reviewed for impairment (other than land and buildings classified under property and equipment) whenever events or changes in circumstances indicate that the carrying value may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of the asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows ("cash generating units"). Non-financial assets that suffered impairment are reviewed for possible reversal of the impairment at each reporting date. A reversal of an impairment loss for an asset shall be recognised immediately in the consolidated statement of comprehensive income. After a reversal of an impairment loss is recognised, the depreciation/amortisation charge of the asset shall be adjusted in future periods to allocate the asset's revised carrying amount, less residual value over the remaining useful life.

2.15 Revenue from contracts with customers

Revenue from contracts with customers

IFRS 15 Revenue from contracts with customers outlines a single comprehensive model of accounting for revenue arising from contracts with customers. It establishes a five-step model that will apply to revenue arising from contracts with customers. Under IFRS 15, revenue is recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer.

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

Step 1 Identify the contract 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 each of those rights and obligations.

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

Step 3 Determine the transaction price: Transaction price is the amount of consideration to which the Group expects to be entitled in exchange for transferring the promised goods and 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 consideration to which the Group expects to be entitled in exchange for satisfying each performance obligation.

Step 5 Recognise revenue as and when the Group satisfies a performance obligation.

The Group recognises revenue over time if any one of the following criteria is met:

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

For performance obligations where none of the above conditions are 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-based asset 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 – advances from customers.

2 Significant accounting policies (continued)

2.15 Revenue from contracts with customers (continued)

Revenue is measured at the transaction price agreed under the contract. Amounts disclosed as revenue are net of variable consideration and payments to customers, which are not for distinct services, which may include discounts, trade allowances, rebates and amounts collected on behalf of third parties. Revenue is recognised in the consolidated statement of comprehensive income 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.

Revenue is recognised in the consolidated statement of comprehensive income 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.

(a) Revenue from sale of property held for development and sale

Revenue on sale of development properties is recognised when control over the properties has been transferred to the customer, in some circumstances this is over time, where the criteria as per IFRS 15 paragraph 35 is met and in other circumstances revenue is recognised at a point in time, when the customer has control of the property and is able to direct the use of the property, this is typically when the customer has taken possession of the property

Over time contracts

However, the Group has determined that, for its typical contracts, its performance does not create an asset with alternative use to the Group and it has concluded that, at all times, it has an enforceable right to payment for performance completed to date. Therefore, control transfers over time for these contracts. For contracts that meet the overtime revenue recognition criteria, the Group's performance is measured using an input method, by reference to the costs incurred to the satisfaction of a performance obligation (e.g., resources consumed, labour hours expended, costs incurred, time elapsed or machine hours used) relative to the total expected inputs to the completion of the property.

The Group excludes the effect of any costs incurred that do not contribute to the Group's performance in transferring control of goods or services to the customer (such as unexpected amounts of wasted materials, labour or other resources) and adjusts the input method for any costs incurred that are not proportionate to the Group's progress in satisfying the performance obligation (such as uninstalled materials).

Infrastructure costs allocated to each project are released to the consolidated statement of profit or loss, as cost of properties sold within 'cost of sales', based on the percentage of construction completed for each project and the percentage of infrastructure cost incurred at each period end to the total estimated infrastructure cost.

(b) Room and hotel ancillary services revenue

Revenue from rental of rooms and provision of other ancillary services is recognised over time, net of discounts and municipality fees where applicable, when the rooms are rented and the services are rendered.

(c) Rental income

Rental income received as lessor from properties under operating leases is recognised in profit or loss on a straight line basis over the lease term.

(d) Food and beverage revenue

Restaurant revenue from sales of food and beverages and other services is recognised when goods are sold and services are rendered, respectively. Amounts recognised are net of discounts and municipality fees where applicable. Mandatory service charge and surcharge collectible are included in revenue. Revenue is recognised at the point in time at which the performance obligation is satisfied.

2 Significant accounting policies (continued)

2.16 Other income

Other income mainly comprises of income from units returned and other miscellaneous items which are not in scope of IFRS 15 Revenue from contracts with customers.

Income from returned units, arises when customers are unable to complete their scheduled payments according to the contractual terms and forfeit the right to retain the units and their deposits which have been paid. As such other income is recognised when the contracts are cancelled by the customers, and the units are recorded in properties held for development. Forfeited income is recognised in the reissued consolidated statement of comprehensive income when a customer turns down a pending sale or does not fulfil the contractual payment terms, in accordance with the regulation and procedures set out by the Dubai Real Estate Regulatory Authority.

2.17 Dividends distribution

The liability for dividend is provided for the amount of any dividend declared, being appropriately authorised and no longer at the discretion of the entity, on or before the end of the reporting period but not distributed at the end of the reporting period.

2.18 Share capital

Ordinary shares are classified as equity.

2.19 Leases

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

- the contract involved the use of an identified asset – this may be specified explicitly or implicitly, and should be physically distinct or represent substantially all of the capacity of a physically distinct asset. If the supplier has a substantive substitution right, then the asset is not identified;
- the Group has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use; and
- the Group has the right to direct the use of the asset. The Group has the right when it has the decision-making rights that are most relevant to changing how and for what purpose the asset is used. In rare cases where all the decisions about how and for what purpose the asset is used are predetermined, the Group has the right to direct the use of the asset if either:
    - the Group has the right to operate the asset; or
    - the Group designed the asset in a way that predetermines how and for what purpose it will be used.

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

As a lessee

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

The right-to-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of property and equipment. In addition, right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain re-measurements of the lease liability.

2 Significant accounting policies (continued)

2.19 Leases (continued)

As a lessee (continued)

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discounted rate, which is determined in a range of 4% to 12% per annum depending on the tenure of the lease and the location of the leased asset.

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

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

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

Lease liability is subsequently increased by the finance costs on the lease liability and decreased by lease payments made. Each lease payment is allocated between the liability and finance cost. The finance costs is charged to the consolidated statement of comprehensive income over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

When the lease liability is remeasured, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in the consolidated statement of comprehensive income if the carrying amount of the right-of-use asset has been reduced to zero.

Short-term leases and leases of low-value assets

The Group has elected not to recognise right-of-use assets and lease liabilities for short-term leases including holiday home agreements that have a lease term of 12 months or less and leases of low-value assets. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

As a lessor

When the Group acts as a lessor, it determines at the lease commencement whether each lease is a finance lease or an operating lease. To classify each lease the Group makes an overall assessment of whether the lease transfer to the lessee substantially all of the risk and rewards of ownership incidental to ownership of the underlying asset. If this is the case, then the lease is a finance leases; if not, then it is an operating lease. As part of this assessment, the Group considers certain indicators such as whether the lease is for major part of the economic life of the asset. When assets are leased out under an operating lease, the asset is included in the consolidated statement of financial position based on the nature of the asset. Lease income is recognised over the term of the lease on a straight-line basis. The Group recognises lease payments received under operating leases as income on a straight-line basis over the lease term as part of 'Revenue'.

2 Significant accounting policies (continued)

2.19 Leases (continued)

Sales and leaseback

For sale and leaseback transactions, the Group considers whether the initial transfer of the underlying asset to the buyers-lessors is a sale. The Group applies IFRS 15 to determine whether a sale has taken place. When the transfer to buyers-lessors is a sale, the Group derecognises the underlying asset and applies the lessee accounting model to the leaseback, the Group measures the right-of-use asset at the retained portion of the previous carrying amount (i.e., at cost), and recognises only the amount of any gain or loss related to the rights transferred to the lessors. When the transfer to buyers-lessors is not a sale, the Group continues to recognise the underlying asset, and recognises a financial liability for any amount received from the buyers-lessors. On or after the commencement of the hotels' operations, the Group has entered into a sale and leaseback agreements with customers (buyers-lessors) to sell and leaseback hotel room units. Management has performed the assessment of the above transaction and concluded that the transfer of hotel room units satisfies the requirements of IFRS 15 to be accounted for as a sale.

The Group has entered into lease agreements with buyers-lessors of most of the hotel apartments sold in previous years (sale and leaseback agreements). The lease contracts were made for a period of 5 years for hotel apartments. Lease amount is based on variable payment terms which is equivalent to 40% of room revenue of the hotels net off admissible expenses. This lease amount is fully contingent on the performance of the hotels operated by the Group and there are no minimum lease payments stated per lease agreement. The Group recognised the right of use asset at the proportion of the cost of assets that relates to the right of use retained by the Group. The lease liabilities arising from above lease transactions is measured at the present value of the lease payments, discounted using the Group's incremental borrowing rate (6.0% per annum). Incremental borrowing rate is that rate the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

2.20 Value Added Tax

Expenses and assets are recognised net of the amount of VAT, except:

a) When the VAT incurred on a purchase of assets or goods or services is not recoverable from the taxation authority, in which case, the VAT is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable; or

b) When receivables and payables are stated with the amount of VAT included. The net amount of VAT recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the consolidated statement of financial position.

2.21 Borrowings

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

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. Both specific and general borrowing costs are capitalised using appropriate capitalisation rates. In all cases, the amount of borrowings capitalised is limited to the amount of borrowing costs actually incurred during the year.

The capitalisation of borrowing costs commences from date of incurring the expenditure relating to the qualifying asset and ceases when all the activities necessary to prepare the qualifying asset for its intended use or sale are complete. Borrowing costs relating to the period after acquisition, construction or production are expensed.

2 Significant accounting policies (continued)

2.22 Income tax

The income tax expense or credit for the period is the tax payable on the current period's taxable income, based on the applicable income tax rate in a particular jurisdiction, adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the country where the company operates and generates taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation and considers whether it is probable that a taxation authority will accept an uncertain tax treatment. The group measures its tax balances either based on the most likely amount or the expected value, depending on which method provides a better prediction of the resolution of the uncertainty.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated statement of financial position. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that, at the time of the transaction, affects neither accounting nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax liabilities and assets are not recognised for temporary differences between the carrying amount and tax bases of investments in foreign operations where the company is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Deferred tax assets and liabilities are offset where there is a legally enforceable right to offset current tax assets and liabilities and where the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in consolidated statement of other comprehensive income or directly in consolidated statement of changes in equity, respectively.

2.23 Rounding of amounts

All amounts disclosed in the financial statements and notes have been rounded off to the nearest thousand currency units unless otherwise stated.

3 Financial risk management

3.1 Financial risk factors

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

(a) Market risk

(i) Currency risk

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

3 Financial risk management (continued)

3.1 Financial risk factors (continued)

(a) Market risk (continued)

(i) Currency risk (continued)

The Group is exposed to foreign exchange risks primarily with respect to the Swiss franc (CHF). Foreign exchange risk arises from future commercial transactions, and recognised assets and liabilities. There is no material impact to profit or loss due to the sensitivity in CHF currency risk.
The Group does not have an exposure to other foreign currency risks for transactions are denominated in UAE Dirham, US Dollars or currencies pegged to the US Dollar.

(ii) Price risk

Price risk is the risk that the value of a financial instrument will fluctuate as a result of changes in market prices, whether those changes are caused by factors specific to the individual instrument or its issuer or factors affecting all the instruments traded in the market. The Group has no significant exposure to price risk as it does not hold any listed equity securities or commodities.

(iii) Cash flow and fair value interest rate risk

The Group is exposed to interest rate risk on its interest bearing liabilities. Borrowings at variable rates expose the Group to cash flow interest rate risk. Borrowings at fixed rates expose the Group to fair value interest rate risk. The ratio of variable rate borrowings to fixed rate borrowings is 97:3 (2020: 76:24 variable rate borrowings).

At 31 December 2021, if interest rates on variable rate borrowings had been 1% higher/lower with all other variables held constant, the impact on the reissued consolidated statement of comprehensive income would be a decrease/increase of AED 12,387,620 (2020: AED 3,109,020) as a result of higher/lower interest expense.

(b) Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. When such an event happens, it is considered as a default event. The Group is exposed to credit risk in relation to its monetary assets, mainly trade receivables, unbilled receivables, related party balances and bank balances. The Group has no other significant concentrations of credit risk.

Bank balances

Bank balances are limited to high-credit-quality financial institutions. The table below presents an analysis of cash and bank balances by rating agency designation at the end of reporting period based on Moody's ratings or its equivalent for the main banking relationships:

	As at 31 December		
	Moody's/ CI Rating	**2021 AED'000**	**2020 AED'000**
Counterparty 1	Baa1	320,740	6,581
Counterparty 2	A2	124,733	7,012
Counterparty 3	Ba1	5,273	3,415
Counterparty 4	Ba3	2,955	543
Counterparty 5	Aa2	30	-
Counterparty 6*	b+	33,697	9,847
		487,428	27,398

*Balances maintained with one bank that has a credit rating from Capital Intelligence (CI) and is currently not rated by Moody's and an amount of AED Nil (2019: AED 2,211 thousand) held in escrow account.

3 Financial risk management (continued)

3.1 Financial risk factors (continued)

(b) Credit risk (continued)

Bank Balances (continued)

The table above excludes cash on hand amounting to AED 957 thousand (2020: AED 963 thousand).

As at 31 December 2021, cash and bank balance with two banks accounted for 91% (2020: two banks accounted for 62%) of the cash and bank balances of the Group.

Management is of the opinion that this concentration of credit risk will not result in a significant loss to the Group.

Trade and other receivables

Trade receivables or contract assets are either made to customers with an appropriate credit history or secured by deposits and/or underlying real estate assets, which can be called upon if the counterparty is in default under the terms of the agreement. The group's exposure to credit risk is influenced mainly by the individual characteristics of each customer.

The group has entered into contracts for the sale of residential units 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 units, and plots of land is transferred to the buyer only after all the instalments are collected. In addition, instalment dues are monitored on an ongoing basis. To assess whether there is a significant increase in credit risk, the Group compares the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition. It considers available reasonable and supportive forward-looking information including significant changes in the value of the collateral supporting the obligation.

Other financial assets

With respect to the credit risk arising from other financial assets of the Group, which comprise related party receivables and other receivables, the Group's exposure to credit risk arises from default of the counterparty, with maximum exposure equal to the carrying amount of these assets.

Excessive risk of concentration

Concentration arises 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.

(c) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and the availability of funding through an adequate amount of committed credit facilities. Due to the dynamic nature of the underlying businesses, the Group maintains flexibility in funding by maintaining availability under committed credit lines. Cash flow forecasting is performed by the Group on an ongoing basis to ensure it has sufficient cash to meet operational needs.

Liquidity risk management is carried out by a central treasury department at the Group level. Surplus cash held by the Group over and above the balance required are used for the payment of debt and to reduce the interest charges.

The table on the next page analyses the Group's financial liabilities into relevant maturity Groupings based on the remaining period at the reissued consolidated statement of financial position to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

3 Financial risk management (continued)

3.1 Financial risk factors (continued)

(c) Liquidity risk (continued)

	Contractual maturities of financial liabilities				
	Less than 1 year	**Between 1 and 5 years**	**Over 5 years**	**Total contractual cash flows**	**Carrying value**
	AED'000	**AED'000**	**AED'000**	**AED'000**	**AED'000**
At 31 December 2021 (restated)					
Trade and other payables* (Note 15)	171,620	63,591	-	235,211	235,211
Bank borrowings (Note 16)	130,204	1,221,880	-	1,352,084	1,238,762
Finance liabilities (Note 20)	78,169	370,739	2,270,533	2,719,441	453,814
Lease liabilities (Note 6)	25,423	56,950	66,950	149,323	127,129
Due to related parties (Note 7)	134,575	-	-	134,575	134,575
	539,991	1,713,160	2,337,483	4,590,634	2,189,491
At 31 December 2020 (restated)					
Trade and other payables* (Note 15)	151,776	66,914	-	218,690	218,690
Bank borrowings (Note 16)	210,576	136,032	-	346,608	310,901
Finance liabilities (Note 20)	65,481	352,509	2,366,931	2,784,921	430,426
Lease liabilities (Note 6)	18,823	50,850	67,840	137,513	125,224
	446,656	606,305	2,434,771	3,487,732	1,085,241

*Excluding, advance from customers, VAT payable, municipality fees payable.

3.2 Capital risk management

The Groups' objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns for the shareholder and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. Refer to Note 16 for covenants related informations.

The Group monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings, finance liabilities, and lease liabilities less cash and cash equivalents. Total capital is calculated as 'equity' as shown in the statement of financial position plus net debt, if any. Liabilities arising out of financing arrangements are included in Note 16.

The gearing ratios as at 31 December 2021 and 2020 were as follows:

	As at 31 December	
	2021 (restated) AED'000	**2020 (restated) AED'000**
Total bank borrowings (Note 16)	1,238,762	310,901
Total finance liabilities (Note 20)	453,814	430,426
Total lease liabilities (Note 6)	127,129	125,224
Less: cash and bank balances (Note 11)	(488,385)	(28,361)
Net debt	1,331,320	838,190
Total equity	4,341,702	2,167,335
Total capital	5,673,022	3,005,525
Gearing ratio %	23%	28%

3 Financial risk management (continued)

3.3 Fair value estimation

The financial instruments carried at fair value by valuation method are categorised as follows:

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

The Group does not carry any financial asset or and liability that is measured at fair value at 31 December 2021 except finance liabilities (note 20). The Group's non-financial assets carried on the revaluation model is disclosed in Note 5. These assets are included in Level 3.

As at 31 December 2021 and 2020, the carrying value of financial assets and liabilities approximate their fair values. For lease liabilities, the fair value is determined by discounting the future contractual cash flows at the current market interest rate at the time of lease commencement that is available to the Company for similar financial instruments.

4 Critical accounting judgements, estimates and assumptions

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The estimates and judgements that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

4.1 Determination of lessee's incremental borrowing rate (judgement and estimates)

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

Generally, the Group uses the rate as stated below:

-
- incremental borrowing rate of 6% per annum (2020: 6% per annum) for leases up to 10 years or less (staff accommodation, beach lease of FIVE Palm hotel and seabed lease of FIVE Luxe JBR hotel); and
- discount rate of 12% per annum (2020: 12% per annum) for lease with 25 years tenure (FIVE Luxe JBR hotel – Beach lease)

Below is a sensitivity analysis in isolation of the key assumptions used to determine the impact on lease liability and right-of-use assets for leases at an incremental borrowing rate of 6%:

		Right-of-use asset		Lease liability	
Key assumptions	**Change**	**2021 AED'000**	**2020 AED'000**	**2021 AED'000**	**2020 AED'000**
Discount rate	+0.5%	(2,218)	(2,312)	(2,481)	(2,502)
	-0.5%	2,216	2,294	2,473	2,483

4 Critical accounting judgements, estimates and assumptions (continued)

4.1 Determination of lessee's incremental borrowing rate (judgement and estimates) (continued)

Below is a sensitivity analysis in isolation of the key assumptions used to determine the impact on lease liability and right-of-use assets for leases at an incremental borrowing rate of 12%:

		Right-of-use asset		**Lease liability**	
Key assumptions	**Change**	**2021 AED'000**	**2020 AED'000**	**2021 AED'000**	**2020 AED'000**
Discount rate	+0.5%	(92)	-	(93)	-
	-0.5%	98	-	99	-

4.2 Presentation and measurement of provision for employees' end of service benefits (estimate)

During the year, the estimated provision for employees' end of service benefits were valued by an external, independent and qualified actuary using projected unit credit method. The Group makes significant estimates in relation to the discount rates, mortality rates and inflation rates used to calculate the present value of the defined benefit obligation. Note 19 describes the assumptions used together with an analysis of the sensitivity to changes in key assumptions

4.3 Useful lives and residual values of property and equipment (estimate)

Management assigns useful lives and residual values to 'Property and equipment based on the intended use of the assets and the economic lives of those assets. Subsequent changes in circumstances such as technological advances and prospective utilisation of the assets concerned could result in the actual useful lives or residual values differing from initial estimates. Where management determines that the useful life of an asset group or residual value of the asset requires amendment, the net book amount in excess of the residual value is depreciated over the revised remaining useful life.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

4.4 Impairment of financial assets (estimate)

The loss allowances for financial assets are based on assumptions about risk of default and expected loss rates. The group uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the group's past history and existing market conditions, as well as forward-looking estimates at the end of each reporting period.

4.5 Revenue recognition (estimate)

The Group uses the percentage-of-completion method in accounting for its Revenue from sale of property held for development and sale. Use of the percentage-of-completion method requires the Group to estimate the stage of completion of the contract to date as a proportion of the total contract work to be performed in accordance with the accounting policy set out in (Note 2.17). As a result, the Group is required to estimate the total cost to completion of all outstanding projects at each year end.

Estimates of revenues, costs or extent of progress toward completion are revised if circumstances change. Any resulting increases or decreases in estimated revenues or costs are reflected in profit or loss in the period in which the circumstances that give rise to the revision become known by management.

4 Critical accounting judgements, estimates and assumptions (continued)

4.6a Accounting for financing arrangements (judgement)

Management has assessed whether transactions relating to certain sale and leaseback arrangements meet the criteria for a sale under the requirements of IFRS 15 "Revenue from contracts with customers". In assessing the control criteria in IFRS 15, management judged that whilst contractually a sale takes place, control does not pass to the customer, as the customer cannot obtain economic benefits from the arrangement akin to purchasing an asset. Therefore the arrangements are not within the scope of IFRS 15. Notwithstanding the control criteria, management also assessed that the overall substance of these transactions were financing in nature and hence also do not meet the criteria to recognise a lease under IFRS 16 "Leases" .

Management has concluded that these arrangements should be accounted for as financial liabilities as per IFRS 9 "Financial Instruments" and the accounting policy is set out in Note 2.7.

4.6b Determination of discount rate for financing arrangement (estimate)

The rent payments in relation to the financing arrangements described above are discounted using the prevailing market rate of interest. Generally, the Group uses the prevailing market rate of interest as the discounted rate, which is determined to be 12.72% per annum (2020: 14.19% per annum). The assumptions used in determining the discount rate were consistent with risk inherent with similar arrangements. The assumptions were determined using external valuers.

Below is a sensitivity analysis in isolation of the key assumptions used to determine the impact on finance liability and deferred gain:

		Finance liability		**Deferred gain**	
		2021	**2020**	**2021**	**2020**
Key assumptions	**Change**	**AED'000**	**AED'000**	**AED'000**	**AED'000**
Discount rate	+0.5%	(13,614)	(12,020)	3,256	3,731
	-0.5%	14,348	12,663	(3,918)	(4,343)

4.7 Revaluation of land and building classified as property and equipment (estimate)

During the year, the estimated fair value of land and buildings (retail outlets) were revalued by an external, independent and qualified valuer.

The Group's property and equipment was valued as at 31 December 2021 and 2020 using the following level 3 valuation methodology:

4.7.1 Revaluation of Jumeirah Village hotel and Five Hotel Palm Jumeirah

The revaluation was supported by the net present value of future cash flows derived from such assets using cash flow projections which have been discounted at an appropriate rate by an external, independent, and qualified valuer.

In calculating the net present value of the future cash flows, certain assumptions are required to be made in respect of the revalued assets. The key assumptions on which management has based its cash flow projections when determining the recoverable amount of the assets are as follows:

- Management's projections have been prepared on the basis of strategic plans, knowledge of the market, and management's views on achievable growth in retail market share over the long-term year of ten years;
- Terminal value upon exit of the 10-year cash flows projection at the rate of 8.10% for Hotel Jumeirah Village hotel and 7.90% for Five Hotel Palm Jumeirah
- The discount rate of 10.10% for Five Hotel Jumeirah Village hotel and 9.90% for Five Hotel Palm Jumeirah is reflective of the return that an investor would make from a similar retail investment;

4 Critical accounting judgements, estimates and assumptions (continued)

4.7 Revaluation of land and building classified as property and equipment (estimate) (continued)

4.7.1 Revaluation of Jumeirah Village hotel and Five Hotel Palm Jumeirah (continued)

The net effect of the revaluation changes in the current year of property and equipment was an increase in the revaluation reserve in equity and carrying amount of property by AED 115,381 thousand (2020: AED 236,234 thousand) in Jumeirah Village hotel and AED 979,600 thousand (2020: increase of 166,800) in Five Hotel Palm Jumeirah

The determined fair value is most sensitive to the discount rate and exit cap rate to calculate the terminal value.

Below is a sensitivity analysis in isolation of the key assumptions used to determine the fair value of the investment. The table reflects change in the fair value with change in key assumptions.

		Five Hotel Palm Jumeirah		**Jumeirah Village Hotel**	
		2021	**2020**	**2021**	**2020**
Key assumptions	**Change**	**AED’000**	**AED’000**	**AED’000**	**AED’000**
Discount rate	+0.5%	(92,699)	(92,195)	(18,379)	(32,597)
	-0.5%	155,940	96,405	36,501	32,977
Cap rate	+0.5%	(76,780)	(80,315)	(14,095)	(27,590)
	-0.5%	148,755	91,170	33,967	29,033

4.7.2 Revaluation of FIVE LUXE JBR hotel

During the year, the estimated fair value of land and buildings including retail outlets under construction were revalued by an external, independent and qualified valuer. This is based on management’s assumption that these assets are developed and transferred to building class of property upon commissioning.

The aforesaid property was acquired during the year 2021 and revalued at fair value of AED 860,237 thousands as at year end.

The revaluation was supported by the net present value of future cash flows derived from such assets using cash flow projections which have been discounted at an appropriate rate by an external, independent and qualified valuer.

In calculating the net present value of the future cash flows, certain assumptions are required to be made in respect of the revalued assets. The key assumptions on which management has based its cash flow projections when determining the recoverable amount of the assets are as follows:

- Management’s projections have been prepared on the basis of strategic plans, knowledge of the market, and management’s views on achievable growth in retail market share over the long term year of ten years;
- Terminal value upon exit of the 10 year cash flows projection at the rate of 7.9%; and
- The discount rate of 9.9% is reflective of the return that an investor would make from a similar retail investment.

The determined fair value of the property is most sensitive to the discount rate and exit cap rate to calculate the terminal value. Below is a sensitivity analysis in isolation of the key assumptions used to determine the fair value of the investment. The table reflects change in the fair value with change in key assumptions.

		2021	**2020**
Key assumptions	**Change**	**AED’000**	**AED’000**
Discount rate	+0.5%	(120,400)	-
	-0.5%	137,100	-

4 Critical accounting judgements, estimates and assumptions (continued)

4.7 Revaluation of land and building classified as property and equipment (estimate) (continued)

4.7.3 Revaluation of 5 ATLANTIS AG HOTEL, Zürich

During the year, the estimated fair value of land and buildings including retail outlets were revalued by an external, independent and qualified valuer. This is based on management's assumption that these assets are developed and transferred to building class of property upon commissioning.

The aforesaid property was acquired during the year 2021 and revalued at fair value of AED 459,410 thousands as at year end.

The revaluation was supported by the net present value of future cash flows derived from such assets using cash flow projections which have been discounted at an appropriate rate by an external, independent and qualified valuer.

In calculating the net present value of the future cash flows, certain assumptions are required to be made in respect of the revalued assets. The key assumptions on which management has based its cash flow projections when determining the recoverable amount of the assets are as follows:

- Management's projections have been prepared on the basis of strategic plans, knowledge of the market, and management's views on achievable growth in retail market share over the long term year of ten years;
- Terminal value upon exit of the 10 year cash flows projection at the rate of 2.5%; and
- The discount rate of 4.5% is reflective of the return that an investor would make from a similar retail investment.

The determined fair value of the property is most sensitive to the discount rate and exit cap rate to calculate the terminal value. Below is a sensitivity analysis in isolation of the key assumptions used to determine the fair value of the investment. The table reflects change in the fair value with change in key assumptions.

Key assumptions	Change	2021 AED'000	2020 AED'000
Discount rate	+0.5%	(3,863)	-
	-0.5%	22,471	-
Cap rate	+0.5%	(31,006)	-
	-0.5%	15,079	-

4.8 Cost to complete properties held for development and sale (FIVE Luxe JBR hotel) (judgement)

The Group uses the percentage-of-completion method in accounting for its revenue from the sale of properties and land with infrastructure held for development and sale. The percentage-of-completion method requires the Group to estimate the cost incurred to date as a proportion of the total estimated project cost. The amount of revenue recognised for the period is in proportion to the percentage of cost incurred.

Using the proportion of cost incurred to date to the estimated cost of the project method requires the Group to estimate the obligations performed to date as a proportion of the total obligations to be performed under contracts with customers for sale of land and properties held for development and sale.

4.9 Satisfaction of performance obligations for property sales (FIVE LUXE JBR hotel) (judgement)

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 legally enforceable sale and purchase agreements entered into with customers for the provision of real estate assets, the Group does not create an asset with an alternative use and 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.

4 Critical accounting judgements, estimates and assumptions (continued)

4.10 Measurement of right-of-use assets under sale and leaseback agreements (estimate)

Where the Group (as the seller and future lessee) enters into the sale and leaseback transactions to sell properties to the buyer/lessor, the Group first considers whether the initial transfer of the underlying asset from the Group to the buyer-lessor is considered a financing arrangement in IFRS 9 - Financial Instruments or a sale under IFRS 15 - Revenue from Contracts with Customers (IFRS 15). The Group will derecognise the underlying asset and apply the revenue accounting model to the transaction if control over the assets passes to the buyer-lessor and the sale is accounted for under IFRS 15.

A lease is classified as a finance lease when substantially all the risks and rewards of ownership are transferred by the buyer -lessor. In determining the appropriate classification, the substance of the transaction rather than the form is considered. Factors considered include but are not limited to the following: whether the lease transfers ownership of the asset to the lessee by the end of the lease term; the lessee has the option to purchase the asset at the price that is sufficiently lower than the fair value on exercise date; the lease term is for a major part of the economic life of the asset and the present value of the minimum lease payments amounts to at least substantially all of the fair value of the leased asset. The lease back arrangements for 5 years are accounted under IFRS 16 since the lease term for a major part of the economic life of the asset is not with the Group.

On or after the commencement of the hotels' operations, the Group have entered into a sale and leaseback agreements with customers (buyer-lessors) to sell and leaseback hotel room units. Right-of-use assets is measured as a proportion of the asset's previous carrying amount to reflect the right of use retained by the Group (seller-lessee). To calculate the proportion, the Group determines a value for the right-of-use retained as the present value of the expected leaseback payments compared to the fair value of the asset. The net present value of future cash flows derived from the expected variable payments which is equivalent to 40% of room revenue of the hotels net off admissible expenses (Note 2.18) which have been discounted at an appropriate rate.

The key assumptions on which management has based its cash flow projections when determining the of the right-of-use assets under sale and leaseback agreements are as follows:

- Management's projections have been prepared on the basis of strategic plans, knowledge of the market, and management's views on achievable growth over the lease term; and
- Incremental borrowing rate as the discounted rate, which is determined to be 6% per annum.

5 Property and equipment

	Land and Buildings* AED'000	Equipment AED'000	Furniture and fixtures AED'000	Motor vehicles AED'000	Leasehold improvement AED'000	Capital work- in-progress** AED'000	Total AED'000
Cost or revaluation							
At 1 January 2020	3,128,472	18,87	59,907	1,557	8,959	-	3,217,762
Additions	24,353	-	3,035	-	664	-	28,052
Disposals	-	-	-	(54)	-	-	(54)
Revaluation surplus	469,383	-	-	-	-	-	469,383
At 31 December 2020 (restated)	3,622,208	18,867	62,942	1,503	9,623	-	3,715,143
Additions	13,199	62	13,083	429	-	788,183	814,956
Disposal	(34,144)	-	-	-	-	-	(34,144)
Revaluation surplus	1,216,847	-	-	-	-	531,465	1,748,312
At 31 December 2021(restated)	4,818,110	18,929	76,025	1,932	9,623	1,319,648	6,244,267
Depreciation							
At 1 January 2020	138,873	12,618	26,417	443	331	-	178,682
Charge for the year	90,702	4,715	12,147	467	2,172	-	110,203
Disposal	-	-	-	(54)	-	-	(54)
At 31 December 2020 (restated)	229,575	17,333	38,564	856	2,503	-	288,831
Charge for the year	102,845	1,417	12,513	512	2,217	-	119,504
Disposal	(1,925)	-	-	-	-	-	(1,925)
At 31 December 2021 (restated)	330,495	18,750	51,077	1,368	4,720	-	406,410
Net book amount							
As at 31 December 2021 (restated)	4,487,615	179	24,948	564	4,903	1,319,648	5,837,857
As at 31 December 2020 (restated)	3,392,633	1,534	24,378	647	7,120	-	3,426,312

*Land and buildings are based on valuation provided by an independent valuer and includes 20% as value of land which is not depreciated.
**Capital work-in-progress comprises of a property Five Luxe Jumeirah Beach Residence and Hotel in Zurich.

Capital work-in-progress includes AED 8,209 thousand of capitalised interest expense (2020: Nil) for the year ended 2021, the capitalisation rate was 1.25% to 1.5% in Switzerland and 4.0% to 5.0%.in FIVE Luxe Jumeirah Beach Residence.

5 Property and equipment (continued)

5.1 Revaluation of land and building classified as property and equipment

As at 31 December 2021 and 2020, land and building under property and equipment were revalued and by an external independent and qualified valuer the revaluation gain/loss was recognised in the reissued consolidated statement of comprehensive income. The sensitivity analysis for fair value change with changes in key assumptions is specified in Note 4.8

5.1.1 Revaluation of Five Hotel Jumeirah Village

A formal external valuation of the Group's property was performed as at 31 December 2021. The revaluation was supported by the net present value of future cash flows derived from such assets using cash flow projections which have been discounted at an appropriate rate. Based on such valuation, the fair value as at 31 December 2021 was AED 817,713 thousand (2020: AED 702,333 thousand), which was higher than the net book amount of AED 364,944 thousand **(**2020: AED 372,542 thousand).

Fair Value Reconciliation – Jumeirah Village Hotel

	As at 31 December	
	2021	**2020**
	AED'000	**AED'000**
Fair value as per external valuation report	1,102,800	965,400
Less: Adjustment of 5 year leases under IFRS 16	(285,087)	(263,067)
Fair Value of Jumeirah Village Hotel	817,713	702,333

5.1.2 Revaluation of Five Hotel Palm Jumeirah

For valuation of hotel rooms and apartments, the Group has used 'Sales comparison method', which involves determination of the value of the properties with reference to comparable market transactions for properties in close proximity. The revaluation was supported by the net present value of future cash flows derived from such assets using cash flow projections which have been discounted at an appropriate rate. These values are adjusted for differences in key attributes such as size, gross floor area and location. The most significant input into this valuation approach is price per square foot. The valuation method adopted for these properties is based on inputs that are indirectly derived from prices observable for the assets and then adjusted by inputs that are not based on observable market data (that is, unobservable inputs - Level 3).

Based on the external valuation of hotel rooms in Five Hotel Palm Jumeirah, the fair value of the properties as at 31 December 2021 was AED 3,669,900 thousand (31 December 2020: AED 2,690,300 thousand) which was higher than the net book amount of AED 979,300 thousand **(**2020: AED 1,031,025 thousand).

Fair Value Reconciliation – Five Hotel Palm Jumeirah

	As at 31 December	
	2021	**2020**
	AED'000	**AED'000**
Market Value as per external valuation report	3,868,300	2,912,300
Less: Adjustment of receivables	(129,200)	(169,000)
Less: Holiday home value	(69,200)	(53,000)
Fair Value of Hotel Palm Jumeirah	3,669,900	2,690,300

As at 31 December 2021, hotel apartments and hotel rooms are mortgaged against bank borrowings (Note 16).

5 Property and equipment (continued)

5.1 Revaluation of land and building classified as property and equipment (continued)

5.1.3 Revaluation of FIVE LUXE JBR hotel

During the period, the year purchased a property under construction worth AED 671,670, thousands from another developer as per the agreement between the parties, where AED 403,002, thousand (60%) is allocated to the hotel and classified as property based on Built up Area (BUA), the remaining of AED 268,668 thousands (40%) is allocated to property held for development and sale.

Included within capital work-in-progress a land of AED 156,000 thousand.

The property is financed by a Financing Arrangement (Note 16). Total interest capitalised during the period was AED 6,078,067 and allocated accordingly between property. The average rate used to capitalise interest was 5.1%

The assets listed below (stated at carrying value) have been pledged as security for borrowings.

Asset pledged	**As at 31 December 2021 AED '000**
Capital work-in progress	860,238

Please refer to Note 16 for details of the borrowings to which they relate.

A formal external valuation of the Group's property was performed as at 31 December 2021. The revaluation was supported by residual method of valuation with incorporated profits method. Based on such valuation, the fair value of the Land and Building as at 31 December 2021 was AED 860,238 thousand which was higher than the net book amount of AED 415,609 thousand.

Fair Value Reconciliation – Five Luxe, JBR

	As at 31 December 2021 AED'000
Fair Value as per external valuation report	860,238
Less: Adjustment of receivables	-
Fair Value of Five Luxe, JBR	860,238

The current use of the property is at its highest and best use. The valuation technique uses significant unobservable inputs. Accordingly, the fair value was classified to level 3.

At each financial year end the finance department:

- verifies all major inputs to the independent valuation report;
- assesses property valuation movements when compared to the prior year valuation report; and
- holds discussions with the independent valuer.

5.1.4 Revaluation of 5 ATLANTIS AG HOTEL, Zürich

During the period ended 31 December 2020, the 5 Atlantis AG (''The Subsidiary'') acquired new building from Neue Hotel Atlantis AG, the purchase agreement amounted to AED 340,292, thousand (CHF 83,985 thousand) . Capital work in progress represents the Subsidiary hotel building that is currently under refurbishment and expected to be reopen by 1 July 2022.

A formal external valuation of the Group's property was performed as at 31 December 2021. The revaluation was supported by cash flow projections which have been discounted at an appropriate rate. Based on such valuation, the fair value of the property as at 31 December 2021 was AED 459,411 thousand which was higher than the net book amount of AED 372,575 thousand.

Notes to the consolidated financial statements for the year ended 31 December 2021 (continued)

5 Property and equipment (continued)

5.1 Revaluation of land and building classified as property and equipment (continued)

5.1.4 Revaluation of 5 ATLANTIS AG HOTEL, Zürich (continued)

The current use of the property is at its highest and best use. The valuation technique uses significant unobservable inputs. Accordingly, the fair value was classified to level 3.

At each financial year end the finance department:

- verifies all major inputs to the independent valuation report;
- assesses property valuation movements when compared to the prior year valuation report; and
- holds discussions with the independent valuer.

Fair Value Reconciliation – 5 ATLANTIS AG HOTEL, Zürich

	As at 31 December 2021 CHF'000
Fair Value as per external valuation report in CHF	114,500
Less: Adjustment	-
Fair Value of 5 ATLANTIS AG HOTEL, Zürich	114,500

Carrying amounts that would have been recognised if property and equipment were stated at cost:

If property and equipment were stated on the historical cost basis, the amounts would be as follows:

	Land and Building AED'000	**Capital Work in Progress AED'000**	**Total AED'000**
Opening balance as on 1st January 2021 (restated)	1,721,886	-	1,721,886
Additions	13,200	788,184	801,384
Disposal	(34,145)	-	(34,145)
Accumulated depreciation	(185,900)	-	(185,900)
Net book amount as on 31 December 2021 (restated)	1,515,041	788,184	2,303,225
Opening balance as on 1st January 2020	1,697,533	-	1,697,533
Additions	24,353	-	24,353
Accumulated depreciation	(140,809)	-	(140,809)
Net book amount as on 31 December 2020 (restated)	1,581,077	-	1,581,077

6 Right-of-use assets and lease liabilities

The Group leases various land parcels and staff accommodations. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease term of these assets ranges from 1 to 10 years. The lease agreements do not impose any covenants. Leased assets may not be used as security for borrowing purposes.

	Land	**Buildings**	**Total**
	AED'000	**AED'000**	**AED'000**
Cost			
At 1 January 2020	26,298	131,258	157,556
Lease modification*	-	(9,173)	(9,173)
At 31 December 2020 (restated)	26,298	122,085	148,383
Additions	7,057	11,379	18,436
At 31 December 2021 (restated)	33,355	133,464	166,819
Accumulated depreciation			
At 1 January 2020	438	19,704	20,142
Charge for the year	-	24,924	24,924
At 31 December 2020 (restated)	438	44,628	45,066
Charge for the year	-	18,802	18,802
At 31 December 2021(restated)	438	63,430	63,868
Net book amount			
At 31 December 2021 (restated)	32,917	70,034	102,951
At 31 December 2020 (restated)	25,860	77,457	103,317

	2021 (restated) AED'000	**2020 (restated) AED'000**
Lease liabilities		
Non-current	101,706	106,401
Current	25,423	18,823
	127,129	125,224

	2021 AED'000	**2020 AED'000**
Lease liabilities		
At 1 January	125,223	150,893
Addition	21,493	-
Finance cost (Note 27)	7,661	7,892
Payment of lease liability	(27,248)	(23,862)
Lease modification*	-	(9,699)
	127,129	125,224

*During the year ended 31 December 2020, the Group has modified certain lease contracts. These modifications resulted in a decrease in the carrying amount of the right-of-use assets by AED 9.2 million and lease liabilities by 9.7 million.

7 Transactions and balances with related parties

Related parties include the Owner, non-controlling interests, key management personnel and any businesses which are controlled, directly or indirectly by the Owner and directors or over which they exercise significant management influence (the “other related parties”).

During the period, the Group entered into the following significant transactions with related parties in the normal course of business and at prices and terms agreed by the Group’s management.

	2021 AED’000	2020 AED’000
Owner		
Dividend	-	85,430
Charity made on behalf of the Group	6,127	5,635
Fund given to the Group for asset acquisition	54,888	-
Non-controlling interest		
Dividend (Note 28)	7,953	3,933
Other related party*		
Sales incentive and commission	73,560	90
Expenses incurred by the Group	-	21,104
Amount paid on behalf of the Group	-	(489)
Key management personnel:		
Revenue from sale of off plan properties to key management personnel (A)	4,529	-
Key management remuneration		
Salaries and other short term employee benefits	25,889	9,793
Termination and post-employment benefits	360	339

*Other related party transaction includes a transaction with Five Real Estate Brokers LLC, a company under common control.

The Group’s owner agreed to waive his termination and post-employment benefits. Therefore, the Group did not provide for such benefits in current and previous years.

Balances with related parties

Amounts due from and due to related parties, represent balances arising from funds and services provided and received in the normal course of business and treasury management activities. Due to related parties is unsecured in nature, bears no interest and payable on demand.

	As at 31 December	
	2021 (restated) AED’000	2020 (restated) AED’000
Due from a related party		
Owner	-	63,822
Total	-	63,822
Due to related parties		
Owner	61,015	-
Other related party	73,560	-
Total	134,575	-

8 Trade and other receivables

	As at 31 December	
	2021 (restated) AED'000	**2020 (restated) AED'000**
Trade receivables*	93,036	7,740
Contract receivables	-	64,838
Less: provision for loss allowance	(4,877)	(7,602)
Trade receivables net	88,159	64,976
Unbilled receivables	303,206	-
Advances to suppliers	93,693	6,810
Municipality fees receivable	3,946	8,882
Other receivables**	46,652	49,934
	535,656	130,602

*Included within trade receivables are amounts due from hotel customers who have paid by credit card, these amounts are usually collected during the next working day and do not carry any significant credit risk.

The unbilled receivables of AED 303,206 thousand are mainly arising from the off-plan sale of property held for development and sale.

The fair value of trade receivables approximate their carrying value.

At 31 December 2021, trade receivables net of provision for loss allowance accounted for 16% (2020: 50%)of the Group's balance. The Group has a broad base of customers with no concentration of credit risk within trade and other receivables as at 31 December 2021 and 31 December 2020. Management is of the opinion that this concentration of credit risk will not result in a significant loss to the Group for the year ended 31 December 2021.

Other classes within trade and other receivables do not contain impaired assets. The maximum exposure to credit risk at the reporting date is the carrying value of each class of receivables.

Ageing of unbilled receivables and trade receivables are stated below:

As at 31 December 2021 (restated)

	Neither past due nor impaired	**Less than 90 days**	**More than 90 days**	**Total**
Trade receivables (AED)	-	12,358	80,678	93,036
Provision (AED)	-	-	(4,877)	(4,877)
Net trade receivables (AED)	-	12,358	75,801	88,159

	Neither past due nor impaired	**Less than 90 days**	**More than 90 days**	**Total**
Unbilled receivables (AED)	303,206	-	-	303,206
Provision (AED)	-	-	-	-
Net unbilled receivables (AED)	303,206	-	-	303,206

	Neither past due nor impaired	**Less than 90 days**	**More than 90 days**	**Total**
Other receivables (AED)	46,652	-	-	46,652
Provision (AED)	-	-	-	-
Net other receivables (AED)	46,652	-	-	46,652

Notes to the consolidated financial statements for the year ended 31 December 2021 (continued)

8 Trade and other receivables (continued)

As at 31 December 2020 (restated)

	Neither past due nor impaired	Less than 90 days	More than 90 days	Total
Trade receivables (AED)	-	7,740	-	7,740
Provision (AED)	-	(7,602)	-	(7,602)
Net trade receivables (AED)	-	138	-	138

	Neither past due nor impaired	Less than 90 days	More than 90 days	Total
Contract receivables (AED)	43,359	7,565	13,914	64,838
Provision (AED)	-	-	(7,602)	(7,602)
Net contract receivables (AED)	43,359	7,565	6,312	57,236

	Neither past due nor impaired	Less than 90 days	More than 90 days	Total
Other receivables (AED)	-	49,934	-	49,934
Provision (AED)	-	-	-	-
Net other receivables (AED)	-	49,934	-	49,934

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

	As at 31 December	
	2021 (restated) AED'000	**2020 (restated) AED'000**
As at 1 January	7,602	4,708
Loss allowance	4,877	2,894
Reversal	(1,985)	-
Write off	(5,617)	-
At 31 December	4,877	7,602

The creation and release of loss allowance is included in the reissued consolidated statement of profit or loss. Amounts charged are generally written off when there is no expectation of recovering cash. The other classes within trade and other receivables do not contain impaired assets. The Group does not hold any collateral as security against its receivables.

The Group has applied IFRS 9 simplified approach to measure expected credit losses which uses a lifetime expected credit losses ("ECL") that result from all possible default events over the expected life at a financial instrument for all trade and unbilled receivables. The Group is exposed to a small amount of credit risk attributable to its trade and other receivables. The amounts included in the balance sheet are net of expected credit losses, which have been estimated by management based on prior experience and any known factors at the balance sheet date.

9 Property held for development and sale

	Work-in-progress AED'000
At 1 January 2021 (restated)	-
Additions	303,528
Cost of sales (Note 22)	(284,905)
At 31 December 2021 (restated)	18,623

10 Inventories

	As at 31 December	
	2021 (restated) AED'000	**2020 (restated) AED'000**
Beverages	12,212	5,574
Food	718	376
General Stores	542	553
Others	478	292
	13,950	6,795

The cost of inventories recognised as an expense for the year included in inventories consumption amounted to AED 79,194 thousand (2020: AED 47,810 thousand).

11 Cash and cash equivalents

	As at 31 December	
	2021 (restated) AED'000	**2020 (restated) AED'000**
Cash on hand	957	963
Cash at banks	487,428	27,398
Cash and cash equivalents	488,385	28,361

Bank balances are held with locally incorporated banks and branches of international banks.

Cash at banks includes an amount of AED 203,801 thousand (2020: AED 2,211 thousand) held in escrow accounts and collateral reserve account. Cash held in escrow accounts represents cash received from customers that is held with banks authorised by the Real Estate Regularity Authority ("RERA"). Use of this cash is limited to the specific development projects to which the cash receipts relate.

12 Share capital

As at 31 December 2021 and 2020, the total authorised, issued and fully paid share capital of the Group comprises of 1 share of AED 3.67 (USD 1).

13 Contributed capital

Contributed capital of AED 252,913 thousand (2020: AED 252,913 thousand) represents funds provided by the Owner or on his behalf to the Group to support its operations. The Group has no obligation to repay any of these contributions. It is at the sole discretion of the Group to repay any of the amounts contributed.

14 Statutory reserve

In accordance with the Memorandum of Association of all the subsidiaries registered in UAE under UAE Federal Law No. (2) of 2015, 10% of the profit for the year is to be transferred to a statutory reserve which is non-distributable. Transfers to these reserves are required to be made for certain subsidiaries until such time as it equals 50% of the paid-up share capital for these subsidiaries. Transfers to the legal reserve have accordingly been made by the individual entities within the Group.

Notes to the consolidated financial statements for the year ended 31 December 2021 (continued)

15 Trade and other payables

	As at 31 December	
	2021 (restated) AED'000	**2020 (restated) AED'000**
Trade payables	165,764	159,277
Advances from customers	25,188	16,956
Accruals	21,955	15,100
Staff payables	15,586	-
Dividend payable (Note 28)	9,365	10,837
VAT payable	6,668	3,640
Income to be distributed to hotel room owners	15,527	9,583
Municipality fee	3,074	3,306
Other payables	7,014	23,893
	270,141	242,592
Analysed as follows:		
Current portion	206,550	175,678
Non-current portion	63,591	66,914
	270,141	242,592

As per the Addendum signed with China State Construction Engineering Corporation (Middle East) (LLC) dated 24 January 2021, Assas Investments Limited has to pay AED 65,000 thousand to the main contractor of the project FIVE Palm Jumeirah Hotel and will be payable in 86 monthly instalments. The payable amount was discounted to its present value which amounted to AED 50,675 thousand (2020: 51,038 thousand).

16 Bank borrowings

	As at 31 December	
	2021 (restated) AED'000	**2020 (restated) AED'000**
Term Loans	1,228,436	292,794
Bank overdraft	42,976	19,989
Total bank borrowings	1,271,412	312,783
Less: deferred borrowing costs	(32,650)	(1,882)
	1,238,762	310,901

The maturity profile of the Group's total borrowings is as follows:

	As at 31 December	
	2021 (restated) AED'000	**2020 (restated) AED'000**
Within 1 year	72,710	194,079
More than 1 year	1,166,052	116,822
	1,238,762	310,901

Notes to the consolidated financial statements for the year ended 31 December 2021 (continued)

16 Bank borrowings (continued)

Following is the breakup of amount utilised against each facility:

	Interest rates	As at 31 December 2021 (restated) AED'000	As at 31 December 2020 (restated) AED'000
Facility A	8.50%	21,498	35,579
Facility B	3 months EIBOR + 3.25%	25,898	40,492
Facility C – overdraft facility	5.50%	-	19,989
Facility D	3 months EIBOR + 4.5%	-	179,417
Facility E	7.00%	120	299
Facility F	3 months EIBOR + 3.50% minimum 5.25% p.a.	14,250	16,525
Facility G	5.25%	15,413	18,600
Facility H	3 months EIBOR + 3.65%	218,842	-
Facility I	3 months EIBOR + 4.75%	700,120	-
Facility J	3 months EIBOR + 4%	13,000	-
Facility K – overdraft facility	3 months EIBOR + 4.75%	29,976	-
Facility L	3 months LIBOR + 1.25% minimum 2% p.a.	199,645	-
		1,238,762	310,901

Facility A and B

As of 31 December 2018, Facility A and B are bank overdrafts of which interest is paid on a monthly basis. In 2018, facility A and B were converted into long term loan with repayment term of twelve years and six years respectively at the same interest rate. The facility amounts were AED 55 million and AED 45 million respectively. As at 31 December 2021, the Group has outstanding borrowing of AED 21.4 million (2020: AED 35.6 million) and AED 25.8 million (2020: AED 40.5 million) from the facility.

Facility C

As of 31 December 2020, Facility C is the bank overdraft of which interest is paid on a monthly basis. The overdraft limit to be stepped down is 15% every year. The nature of securities provided by the Group in respect of its Facility C includes the personal assets of the owner. The facility amount is AED 20 million. As at 31 December 2021, the Group has repaid the loan during the year and has an outstanding borrowing of AED Nil (2020: 19.99 million) from the facility.

Facility D

On 30 April 2018, the Group entered into a borrowing facility with branches of an international bank for AED 330 million. Interest on the borrowing facility is 3-month EIBOR plus 4.5% margin and is payable quarterly. As at 31 December 2021, the Group has repaid the loan during the year and have as outstanding borrowing of AED Nil (2020: AED 179.4 million) from the facility.

The nature of securities provided by the Group in respect of Facility D includes:

a) Real estate mortgage over land of the Five Jumeirah Village Dubai Project (FJVD) project (Note 5).
b) Legal assignment of all current and future receivables of the project once the Building Completion Certificate issued and escrow account is released by Real Estate Regulatory Agency - Dubai Land Department (RERA).
c) Assignment of cash releases from the Escrow Account from FJVD.
d) Assignment of hotel operations and food and beverage revenues when the project is completed and operational.
e) Assignment of all risks insurances of the project endorsing in favour of Arab African International Bank on behalf of lenders as loss payee to be progressively increased on quarterly basis in accordance with project completion covering 110% value of the outstanding finance at all times during the life of the Facility.

16 Bank borrowings (continued)

The nature of securities provided by the Group in respect of Facility D includes (continued):

f) Assignment of issued letters of guarantee by China State Construction Engineering Corporation Middle East and sub-contractors favouring the Group to lenders.

Facility E

The borrowing relates to vehicles loans obtained for business use from Emirates NBD. All vehicle loans were obtained for a period of 3 years and carry fixed interest rate of 7 % per annum charged on a monthly basis. Loans are secured against the vehicles. The loan amount was AED 0.52 million. The fair value of these borrowings equals their carrying amount. These borrowings are denominated in AED or currencies pegged against the AED. The Group has the AED 0.1 million (2020: AED 0.3 million) undrawn borrowing facilities.

Facility F and G

Facility F and G are term loans drawn during the year ended 31 December 2021 with repayment term of nine years and seven years respectively. The facility amounts were AED 16.9 million and AED 20 million respectively. As at 31 December 2021, the Group has outstanding borrowing of AED 14.2 million (2020: 16.5 million) and AED 15.4 million (2020: 18.6 million) from the facility.

The nature of securities provided by the Group in respect of its Facility A, B, F, and G includes:

- Mortgage on properties and equipment of the Group (Note 5);
- Corporate guarantee from the Group;
- Personal guarantee of Nadia Zaal (a related party – spouse of the Owner);
- Personal guarantee of the Kabir Mulchandani (Owner);
- Security cheque from Kabir Mulchandani (Owner) drawn on another bank; and
- Assignment of cash flows from mortgaged units.

Facility H

On 2 August 2021, the Group entered into a borrowing facility agreement with a branch of an international bank of AED 257 million. As at 31 December 2021, the total outstanding balance from Facility H is AED 230.56 million (2020 : AED Nil).

The nature of securities provided by the Company in respect of the above bank borrowing is as follows:

- Real estate mortgage over hotel units and retail outlets owned by the Company (Note 5).
- Legal assignment of all current and future receivables of the Group entities.
- Assignment of hotel operations and food and beverage revenues of FIVE Hotel Jumeirah Village.
- Assignment of all risks insurance policies of the hotel endorsing in favour of Arab African International Bank.
- Corporate guarantees from certain Group entities.
- Personal guarantees from the owner.

Facility I, J & K

As of 31 December 2021, Facility K is a bank overdraft on which interest was paid on a monthly respectively. As of the period then ended, Facility B and C were term loans on which interest was paid on a quarterly basis. As at 31 December 2021, the Group had drawn down AED 13 million from Facility I and AED 720 million from Facility J.

The nature of securities provided by the Group in respect of its bank borrowing includes real Estate Mortgage (the JBR Hotel Real Estate Mortgage and Palm Hotel Real Estate Mortgage) and share pledge of certain Group entities.

16 Bank borrowings (continued)

Facility L

During the year ended 31 December 2021, the 5 Atlantis AG (''The Subsidiary'') obtained new term loan of AED 201 million from an international bank for the purpose of acquiring the hotel building and to support the additional need for constructing the building.

Key borrowing covenants

Under the terms of the major borrowing facilities, the group is required to comply with the following financial covenants:

- The Loan to Value Ratio "LTV" shall not exceed 65%;
- As from 31 December 2022, the Debt service coverage ratio shall not fall below a ratio of 1.5:1;
- The Corporate Guarantor's (Five Holdings (BVI) Limited) debt to equity ratio shall not exceed 50%;
- The Borrower, or any designated affiliate of the Borrower, shall maintain at least CHF 20 million (or its equivalent in other currencies) in liquid, marketable net assets under management with the Lender until the Facilities are cancelled and all amounts under the Facilities are repaid in full.

The Group has complied with the above financial covenants of its borrowing facilities as at the reporting date.

Net debt reconciliation

	Liabilities from financing activities					
	Finance liabilities	**Lease liabilities**	**Bank borrowings**	**Sub-total**	**Cash and cash equivalents**	**Total**
Net debt as at 1 January 2020	358,800	150,893	303,062	812,755	(72,225)	740,530
Additions	32,926	-	42,630	75,556	43,864	119,420
Payments	(30,113)	(23,862)	(59,519)	(113,494)	-	(113,494)
Interest	45,185	7,892	24,728	77,805	-	77,805
Lease modifications	-	(9,699)	-	(9,699)	-	(9,699)
Other movement	23,628	-	-	23,628	-	23,628
Net debt as at 31 December 2020	430,426	125,224	310,901	866,551	(28,361)	838,190
Addition	4,669	20,402	1,205,913	1,230,984	(460,024)	770,960
Payments	(62,207)	(27,248)	(302,849)	(392,304)	-	(392,304)
Interest	62,207	7,661	24,797	94,665	-	94,665
Other movement	18,719	1,090	-	19,809	-	19,809
Net debt as at 31 December 2021	453,814	127,129	1,238,762	1,819,705	(488,385)	1,331,320

17 Deferred Tax Liability

The Group has a policy to state its land and building and related CWIP under Property and equipment at fair value based on the valuation performed by the external independent valuers and the resultant gain is recognised in the consolidated statement of other comprehensive income. The resultant fair value gain on the fixed assets in Switzerland is taxable only upon the realization (i.e. sale of the assets) in accordance with the provisions of Federal and Cantonal taxes applicable in Zurich, Switzerland. The Group has recognised the deferred tax liability amounting to AED 14,133 on the aforesaid timing difference equivalent to the difference between the fair value of the land and building (including CWIP) and its cost.

Notes to the consolidated financial statements for the year ended 31 December 2021 (continued)

17 Deferred Tax Liability (continued)

As the revaluation gain on the land and building is recognised in consolidate statement of other comprehensive income, the resultant deferred tax liability has also been recognised in the same statement. The corporate tax in the United Arab Emirates ('UAE') shall be applicable to the Group with effective from 1 January 2024. Hence, there is no tax impact on the fair value gain on the land and building situated in the UAE for the period prior to 1 January 2023.

18 Contract liabilities

Contract liabilities represent installments received from customers towards the purchase of development properties, net of revenue recognised.

	As at 31 December	
	2021 (restated) AED'000	**2020 (restated) AED'000**
Opening balance	-	-
Billed and collected during the year	55,198	-
Revenue recognised from performance obligations satisfied during the year	(28,649)	-
Contract liabilities at 31 December	26,549	-
Analysed as follows:		
Current portion	25,671	-
Non-current potion	878	-
	26,549	-

19 Provision for employees' end of service benefits

	As at 31 December	
	2021 (restated) AED'000	**2020 (restated) AED'000**
Balance at the beginning of the year	4,905	3,802
Charge for the year	1,826	2,417
Paid during the year	(876)	(1,314)
Balance at the end of the year	5,855	4,905

Assumptions:
In accordance with the provisions of IAS 19, management has carried out an exercise to assess the present value of its obligations at 31 December 2021, using projected unit credit method, in respect of employees' end of service benefits payable under the UAE labour law. Under this method, an assessment is made of the employees' expected service life with the company and the expected basic salary at the date of leaving service.

The principal assumptions used were as follows:

	As at 31 December	
	2021 (restated) AED'000	**2020 (restated) AED'000**
Discount rate per year	1.21%	0.77%
Salary increase per year	3.00%	3.00%

20 Finance liabilities and deferred gain

Finance liabilities

	As at 31 December	
	2021 (restated) AED'000	2020 (restated) AED'000
Opening Balance	430,426	358,801
Net movement during the year	23,388	56,553
Payments made during the year	(62,207)	(30,113)
Interest on finance liabilities	62,207	45,185
Closing Balance	453,814	430,426

	As at 31 December	
	2021 (restated) AED'000	2020 (restated) AED'000
Current portion	78,169	65,481
Non-current potion	375,645	364,945
	453,814	430,426
Fixed portion	18,174	18,174
Variable portion	435,640	412,252
	453,814	430,426

The fixed portion of finance liability pertains to the units in FIVE JVC which has guaranteed rental payments are to be made to the unit owners

Deferred gain

	As at 31 December	
	2021 (restated) AED'000	2020 (restated) AED'000
Opening balance	484,659	497,469
Net movement during the year	(8,705)	(3,075)
Amortisation during the year	(41,142)	(9,734)
Closing balance	434,812	484,660

	As at 31 December	
	2021 (restated) AED'000	2020 (restated) AED'000
Analysed as follows:		
Current portion	67,134	59,860
Non-current potion	367,678	424,800
	434,812	484,660

21 Revenue

	Year ended 31 December	
	2021	**2020**
	AED'000	**AED'000**
	(As restated - see Note 34)	(As restated - see Note 34)
At a point in time:		
- Food and beverages	364,025	210,745
- Revenue from hotel ancillary services	46,067	34,237
	410,092	244,982
Over time:		
- Sale of property held for development*	649,743	2,606
- Room revenue	341,173	205,072
	990,916	207,678
Rental and other income	7,865	4,910
	1,408,873	457,570

*Revenue from sale of property held for development and sale is recognised based on unit sales. These contracts were signed for a fixed cash consideration on varying instalment payment plans.

22 Cost of sales

	Year ended 31 December	
	2021	**2020**
	(restated)	**(restated)**
	AED'000	**AED'000**
Cost of property held for development and sale (Note 9)	284,905	7,664
Staff costs (Note 25)	116,883	82,943
Inventory consumption	79,194	47,810
Music and entertainment	9,874	5,180
Lease charges - rooms and hotel	13,365	6,101
Utility costs	33,431	33,572
	537,652	183,270

23 General and administrative expenses

	Year ended 31 December	
	2021	**2020**
	(restated)	**(restated)**
	AED'000	**AED'000**
Staff costs (Note 25)	38,356	16,825
Operating expenses*	47,133	31,558
Repairs and maintenance	25,779	11,450
Legal and professional fees	14,902	10,619
Commission expenses	13,752	7,654
Pre-operating expenses	4,476	4,038
Operator fee	-	1,048
Depreciation of property and equipment (Note 5)	-	353
Charity	491	334
Others	1,048	2,191
	145,937	86,070

23 General and administrative expenses (continued)

*Operating expenses include indirect costs such as IT support, hotel maintenance, other hotel support costs etc and hence these costs have been classified to general and administrative expenses.

24 Selling and marketing expenses

	Year ended 31 December	
	2021 (restated) AED'000	**2020 (restated) AED'000**
Sales incentive and commission to agents	55,996	17,274
Advertising expenses	12,564	7,204
	68,560	24,478

25 Staff costs

	Year ended 31 December	
	2021 (restated) AED'000	**2020 (restated) AED'000**
Salaries and other benefits	153,413	97,351
End of service benefits (Note 19)	1,826	2,417
	155,239	99,768
Staff cost allocated as follows:		
Cost of sales (Note 22)	116,883	82,943
General and administrative expenses (Note 23)	38,356	16,825
	155,239	99,768

26 Other income

	Year ended 31 December	
	2021 (restated) AED'000	**2020 (restated) AED'000**
Waiver income	5,270	25,399
Others	10,685	-
	15,955	25,399

27 Finance costs

	Year ended 31 December	
	2021 (restated) AED'000	**2020 (restated) AED'000**
Interest on bank borrowings	33,006	24,728
Unwinding of interest on finance liabilities	62,207	45,185
Unwinding of interest on lease liabilities (Note 6)	7,676	7,892
Others	4,007	-
Less: Amortisation of deferred gain (Note 20)	(41,142)	(9,734)
Less: Interest capitalised on qualifying assets*	(8,209)	-
Less: Interest income	-	(584)
Finance costs	57,545	67,487

Notes to the consolidated financial statements for the year ended 31 December 2021 (continued)

27 Finance costs (continued)

Amounts capitalised on qualifying assets comprises of AED 8,209 thousand (2020: nil) which were subsequently charged to cost of sales and capitalised to property and equipment.

28 Dividends per share

During the year ended 31 December 2021, the Group declared and paid dividend of AED NIL (31 December 2020: 85.4 million) to its Owner. Dividends per share was AED Nil per share (2020: 85.4 million).

The Group declared dividends of AED 7,953 thousand (31 December 2020: AED 3,933 thousand) to its minority shareholders. Dividends per share was AED 227,221 per share (2020: AED 112,365 per share).

	Year ended 31 December	
	2021	**2020**
	AED'000	**AED'000**
Dividends payable	10,837	10,851
Paid during the year	(1,472)	(14)
Dividend payable at 31 December (Note 14)	9,365	10,837

29 Capital commitments

The Group has capital expenditure commitments arising from its contracts with contractors of AED 448,734 thousand for the year 2021 (2020: Nil). These commitments represent the value of contracts issued as at 31 December 2021, net of accruals, payments and invoices made till that date.

30 Financial instruments by category

The accounting policies for financial instruments have been applied to the line items below:

	As at 31 December	
	2021	**2020**
	(restated)	**(restated)**
	AED'000	**AED'000**
Financial assets as per the reissued consolidated statement of financial position		
At amortised cost		
Trade and other receivables, excluding advances to suppliers, and municipality fees (Note 8)	438,017	114,910
Due from related parties (Note 7)	-	63,822
Cash and cash equivalents (Note 11)	488,385	28,361
	926,402	207,093
Finance liabilities as per the reissued consolidated statement of financial position		
At amortised cost		
Trade and other payables (excluding advances from customers, VAT payable and municipality fees) (Note 15)	235,211	218,690
Finance liabilities	453,814	430,426
Lease liabilities	127,129	125,224
Bank borrowings (Note 16)	1,238,762	310,901
Due to related parties (Note 7)	134,575	-
	2,189,491	1,085,241

31 Non-controlling interest (NCI)

	As at 31 December	
	2021 (restated) AED'000	**2020 (restated) AED'000**
Non-controlling interest (NCI)	129,397	144,272

In year 2021, the Group has purchased the 20% Non-Controlling interest in Five Beach Club Limited, a subsidiary of the Group increasing its stake from 65% to 85% for a cash consideration of AED 18,325 thousand. The carrying amount of the Non-controlling interest at the time of the transaction was AED 31,635

The carrying value of non-controlling interest has changed as follows:

Lead Enterprises Limited

	31 December 2021 AED '000
Carrying amount of non-controlling interest as at 1 January 2020 (audited)	31,635
Fair Value of Non-controlling interest at the time of transaction	31,635
Total consideration for acquisition of minority	18,325
Profit from change in shareholding	13,310

In year 2020, the Non-controlling minority shareholder i.e., AVZ Investments Limited and Lead Enterprises Limited subscribed to the additional share capital amounting to AED 735 thousands in Five Beach Club Limited, a subsidiary of the Group. As the subscription to the additional share capital was in proportion to its existing shareholding, it did not change its overall % holding in the subsidiary.

Set out below is summarised financial information for each subsidiary that has non-controlling interests that are material to the group. The amounts disclosed for each subsidiary are before inter-company eliminations.

Summarized Balance Sheet:

	FBCL		**Assas Investments**	
	31 Dec 2021 AED '000	**31 Dec 2020 AED '000**	**31 Dec 2021 AED '000**	**31 Dec 2020 AED '000**
Current Assets	20,719	14,979	93,607	42,673
Current Liabilities	(9,973)	(7,613)	(18,924)	(23,829)
Current net assets	10,746	7,366	74,683	18,844
Non-current assets	177,719	157,076	919,602	835,098
Non-current liabilities	(236)	(241)	(44,412)	(47,622)
Net non-current assets	177,483	156,835	875,190	787,476
Net Assets	188,229	164,201	949,873	806,320
Accumulated NCI	22,156	51,386	107,241	92,886

31 Non-controlling interest (NCI) (continued)

Summarized statement of comprehensive income:

	FBCL		Assas Investments	
	31 Dec 2021 AED'000	**31 Dec 2020 AED'000**	**31 Dec 2021 AED'000**	**31 Dec 2020 AED'000**
Revenue	65,364	45,979	70,257	22,815
Profit for the year	16,796	10,615	143,553	(279,553)
Other comprehensive income	26,238	61,351	-	-
Total comprehensive income	43,034	71,967	143,553	(279,553)
Profit allocated to NCI	10,357	25,406	14,356	(27,955)
Dividends paid to NCI	7,953	3,933	-	-

32 Segment-wise breakup

The Group's operating segments are Real estate development and Hospitality. The Management evaluates the operating results of its operating segments separately for the purpose of making strategic decisions about allocating resources and assessing performance. Segment performance is measured based on the adjusted profit or loss calculated in accordance with IFRS.

The Chief Operating Decision Maker reviews mainly the segment profit and loss for its strategic decision and therefore, the segment assets and liabilities are not disclosed in this section.

Segment-wise EBIDTA reconciliation

a) For the year ended 31 December 2021

	Hospitality	Real estate development	Others	Total
Particulars	**AED'000**	**AED'000**	**AED'000**	**AED'000**
Total Segment Results	378,044	329,121	-	707,165
Add: Preopening expenses	4,476	-	-	4,476
Unallocated Items				
Corporate office	-	-	(48,162)	(48,162)
Other income	-	-	3,314	3,314
EBITDA	382,520	329,121	(44,848)	666,793

b) For the year ended 31 December 2020

	Hospitality	Real estate development	Others	Total
Particulars	**AED'000**	**AED'000**	**AED'000**	**AED'000**
Total Segment Results	191,569	2,359	-	193,928
Add: Preopening expenses	4,038	-	-	4,038
Unallocated Items				
Corporate office	-	-	(27,799)	(27,799)
Other income	-	-	20,530	20,530
Other expenses	-	-	(4,651)	(4,651)
EBITDA	195,607	2,359	(11,920)	186,046

Notes to the consolidated financial statements for the year ended 31 December 2021 (continued)

32 Segment-wise breakup (continued)

Reconciliation between total comprehensive income for the year and earnings before interest, tax, depreciation, and amortisation:

	Year ended 31 December	
	2021 (restated) AED'000	**2020 (restated) AED'000**
Profit / (loss) for the year	466,466	(20,606)
Depreciation of property and equipment (Note 5)	119,504	110,203
Depreciation of right-of-use assets (Note 6)	18,802	24,924
Finance costs (Note 27)	57,545	67,487
Preopening expenses	4,476	4,038
Earning before interest, tax, depreciation and amortisation ("EBITDA")	666,793	186,046

Particulars	**Year ended 31 December**	
	2021 AED'000	**2020 AED'000**
Segment Revenue		
Hospitality	759,130	454,964
Real estate development	649,743	2,606
Total Segment Revenue	1,408,873	457,570
Segment Result		
Hospitality	378,044	191,569
Real estate development	329,121	2,359
Total Segment Results	707,165	193,928
Unallocated Items		
Finance costs, net	57,545	67,487
Corporate office	48,162	27,799
Depreciation	138,306	135,127
Other Income	(3,314)	(20,530)
Other expenses	-	4,651
Net Profit	466,466	(20,606)

32 Segment-wise breakup (continued)

Other Information

The Management of the entity further evaluates the result of the Hospitality segment separately into Hotel Rooms, Food and Beverage - Entertainment, Food and Beverage - Non Entertainment, and others, which are the key drivers of the performance of the business.

Particulars	Year ended 31 December 2021 (restated) AED'000	 2020 (restated) AED'000
Hospitality – Revenue stream wise		
Rooms	341,173	205,072
Food and Beverage – Entertainment	161,134	113,161
Food and Beverage – Non Entertainment	202,891	97,584
Others	53,932	39,147
Total Hospitality - Revenue stream wise	759,130	454,964
Hospitality – Result stream wise		
Rooms	212,650	100,982
Food and Beverage – Entertainment	69,633	51,845
Food and Beverage – Non Entertainment	79,108	18,875
Others	16,653	19,867
Total Hospitality - Result stream wise	378,044	191,569
Add: Pre-opening Expenses		
Rooms	2,012	1,820
Food and Beverage – Entertainment	950	1,004
Food and Beverage – Non Entertainment	1,196	866
Others	318	348
Total Other Adjustments Hospitality – stream wise	4,476	4,038
Earning before interest, tax, depreciation and amortization (EBITDA)		
Rooms	214,662	102,802
Food and Beverage – Entertainment	70,583	52,849
Food and Beverage – Non Entertainment	80,304	19,741
Others	16,971	20,215
Total EBITDA	382,520	195,607

33 UAE Corporation Tax Law and application of IAS 12 Income Taxes

On 9 December 2022, the UAE Ministry of Finance released Federal Decree-law no. 47 of 2022 on the Taxation of corporations and businesses (Corporate tax law or the law) to enact a Federal corporate tax regime in the UAE. The Law was previously gazetted on 10 October 2022, becoming law 15 days later. The Corporate tax regime will become effective for accounting periods beginning on or after 1 June 2023. Generally, UAE businesses will be subject to a 9% corporate tax rate, while a rate of 0% will apply to taxable income not exceeding a particular threshold to be prescribed by way of a cabinet decision (expected to be AED 375,000 based on information released by the Ministry of Finance.

However, there are a number of significant decisions that are yet to be finalised by way of a cabinet decision, including threshold mentioned above that are critical for entities to determine their tax status and the amount of tax due. Therefore, pending such important decisions by the cabinet, the Group has determined that the law was not practically operational as at 31 December 2022, and so not enacted or substantively enacted form the perspective of IAS 12 – Income taxes. The Group shall continue to monitor the timing of the issuance of these critical cabinet decisions to determine its tax status and the applicability of IAS 12 – Income taxes.

The Group is currently in the process of assessing the possible impact on its financial statements, both from current and deferred tax perspective once the law becomes substantively enacted.

34 Restatement of previously issued consolidated financial statements

In accordance with the requirements of IAS 8 "Accounting policies, changes in accounting estimates and errors" ("IAS 8"), management has restated the figures to adjust the previously issued consolidated financial statements. The note below sets out the details of adjustments and the line items in the consolidated statements of financial position, profit or loss, comprehensive income and cash flows:

Restatement 1: Sale and lease back

In the prior years the Group entered into three types of arrangements with buyers, as follows:

- Sale and leaseback of units at Five Palm Jumeirah for a period of 30 years, with a handover in 2017
- Sale and leaseback of units at Five Jumeirah Village Circle for a period of 30 years, with a handover in 2019
- Sale and leaseback of units at Five Palm Jumeirah for a period of 1 year, with auto-renewal terms, with a handover in 2017

A significant portion of these units were sold in the prior periods and revenue from the sale of the condominiums was recognised under IFRS 15 "Revenue from contracts with customers". Upon the adoption of IFRS 16 "Leases" on 1 January 2019, the arrangements were reassessed and accounted for as sale and lease back arrangements. This was on the basis that management had assessed that control over the units passed to the customer under the requirements of IFRS 15, and the sale and leaseback criteria was met. As a result of this a right of use asset was recognised and a lease liability was recorded in the consolidated statement of financial position from 1 January 2019.

In accordance with reissuance note 2.1 (a), during 2022, the Group's management reassessed the accounting treatment of these arrangements. Upon reassessment of the contractual terms, it was concluded that the arrangements fall under the scope of IFRS 9 "Financial Instruments" as these are in substance a form of financing in nature. It was assessed that the contractual terms resulted in there being no transfer of control of the condominiums under IFRS 15 "Revenue from Contracts with Customers". It was concluded that the arrangements failed to qualify as a sale and should have been accounted for as financing under IFRS 9 Financial Instruments. Accordingly, a restatement has been recognised to reflect the arrangements as financing in the previously issued consolidated financial statements.

34 Restatement of previously issued consolidated financial statements (continued)

Restatement 2: Recognition of deferred tax liability in relation to the 5 Atlantis AG

During 2021, deferred tax on revaluation gain of hotel in Switzerland should have been recorded in accordance with IAS 12 “Income taxes”. As a result of a fair value gain on the fixed assets in Switzerland being taxable only upon realisation (i.e., sale of the assets) in accordance with the provisions of Federal and Cantonal taxes applicable in Zurich, Switzerland, the Group has recognised the deferred tax liability as at 31 December 2021. However, there is no impact on 2020 as the hotel in Switzerland became part of the Group only in 2021.

Restatement 3: Presentation of cash flows relating to leases

Upon adoption of the IFRS 16 “Leases” on 1 January 2019, the payment relating to lease liabilities were classified under cash flows from operating activities for the year ended 31 December 2021 and the corresponding 2020 comparatives. The Group reclassified these cash flows to financing activities according to the requirements of IAS 7 “Statement of cash flows”.

Restatement 4: Presentation of cash flows relating to the acquisition of non-controlling interest

During the year ended 31 December 2021, payment towards acquisition of non-controlling interest’s share was classified under cash flows from investing activities. The Group reclassified these cash flows to financing activities according to the requirements of IAS 7 “Statement of cash flows”.

Restatement 5: Reclassification of direct costs

In 2021 and 2020, the Group identified music, entertainment and other operational expenses relating to the entertainment revenue stream included within selling and marketing costs, and general and administrative expenses. These have been reclassed to cost of sales as they are direct in nature.

Restatement 6: Reclassification of holiday home rent as direct costs

Pursuant to the holiday homes rental agreement with unit owners of residential units, the Group incurred the lease charges - rooms and hotel apartments during the year ended 31 December 2021 and 2020. These were recognised in general and administrative expenses. However, as they relate to arrangements which generate revenue from hotel rooms the amounts should be recognised in cost of sales.

Restatement 7: Presentation of restricted cash in escrow

During the year ended 31 December 2021 and 2020, the Group classified balances in escrow relating to ongoing project development, and collateral and other reserve accounts relating to bank borrowings as restricted cash. These balances can be used in the operations of the business as per specific criteria, as such management has assessed these balances to be cash and cash equivalents.

Restatement 8: Reclassification of commission payable to related parties

As at 31 December 2021 and 2020, the Group classified commission payable to one of the related parties under trade and other payables, should have been classified under due to related parties.

34 Restatement of previously issued consolidated financial statements (continued)

Restatement 9: Reclassification of subcontractor cost provision

In prior periods amounts relating to additional contractual costs for subcontractors were recognised as a provision under IAS 37, these amounts were not subsequently due to the subcontractors and released to the consolidated statement of comprehensive income. The provision was initially recognised in cost of sales, and the release of the provision should also be recognised in cost of sales. The amounts have been reclassified from other income to cost of sales in 2020.

Restatement 10: Reclassification of non-current trade receivable

During 2021 the Group classified trade receivables as non-current trade receivables. These receivables relate to revenue contracts and should be classified as current as per IAS 1 “Presentation of Financial Statements”.

Restatement 11: Reclassification of prepayments

In prior years the Group classified prepayments in trade and other receivables. During 2021 and 2020 these amounts have been separately presented in the Statement of Financial Position. A significant proportion of these prepayments relate to deferred sales commission which is accounted for as a cost to obtain a contract under IFRS 15 “Revenue from Contracts with Customers”.

Restatement 12: Separate presentation of depreciation

n prior periods the Group presented depreciation within cost of sales. Given that this amount is material, this has been separately presented within gross profit in accordance with IAS 1 Presentation of Financial Statements. Both 2021 and 2020 have been adjusted for this reclassification.

Restatement 13: Reclassification of indirect costs in “Cost of Sales” to “General and Administrative expenses”

In 2021 and 2020, the Group identified certain indirect costs pertaining to the hotel which were classified as direct costs and reclassified them to general and administrative expenses

Restatement 14: Reclassification of delay fees income

The Group disclosed delay fees income in other income during the years 2021 and 2020 which is penalties imposed on customers who failed to meet their payment obligations related to unit sales which have been reclassified to revenue.

Restatement 15: Reclassification between other income and other expenses

The group reclassified items included in other income and other expenses by nature and presented it separately in the consolidated statement of profit or loss in accordance with IAS 1 Presentation of Financial Statements.

34 Restatement of previously issued consolidated financial statements (continued)

*(a) Impact on consolidated statement of financial position as at **31 December 2021** is summarised below:*

	As previously reported AED'000	Restatement 1 AED'000	Restatement 2 AED'000	Restatement 7 AED'000	Restatement 8 AED'000	Restatement 10 AED'000	Restatement 11 AED'000	Others AED'000	As restated AED'000
ASSETS									
Non-current assets									
Property and equipment	2,876,789	2,961,068	-	-	-	-	-	-	5,837,857
Right-of-use assets	476,765	(373,814)	-	-	-	-	-	-	102,951
Trade and other receivables	139,348		-	-	-	(139,348)	-	-	-
Intangible assets	133	-	-	-	-	-	-	-	133
Total non-current assets	3,493,035	2,587,254	-	-	-	(139,348)	-	-	5,940,941
Current assets									
Property held for development and sale	247,822	(229,199)	-	-	-	-	-	-	18,623
Inventories	13,950	-	-	-	-	-	-	-	13,950
Trade and other receivables	546,845	(99,617)	-	-	-	139,348	(50,920)	-	535,656
Prepayments	-	-	-	-	-	-	50,920		50,920
Cash and bank balances	488,385	-	-	(488,385)	-	-	-	-	-
Cash and cash equivalents	-	-	-	488,385	-	-	-	-	488,385
Total current assets	1,297,002	(328,816)	-	-	-	139,348	-	-	1,107,534
Total assets	4,790,037	2,258,438	-	-	-	-	-	-	7,048,475
EQUITY AND LIABILITIES									
EQUITY									
Equity attributable to owner of the parent									
Share capital	-	-	-	-	-	-	-	-	-
Contributed capital	252,913	-	-	-	-	-	-	-	252,913
Statutory reserve	2,238	-	-	-	-	-	-	-	2,238
Revaluation reserve	1,306,139	2,194,057	(14,133)	-	-	-	-	-	3,486,063
Retained earnings	514,089	(36,869)	-	-	-	-	-	(6,129)	471,091
Non-controlling interest	129,397	-	-	-	-	-	-	-	129,397
Equity	2,204,776	2,157,188	(14,133)	-	-	-	-	(6,129)	4,341,702

34 Restatement of previously issued consolidated financial statements (continued)

(a) Impact on consolidated statement of financial position as at __31 December 2021__ is summarised below (continued):

	As previously reported AED'000	Restatement 1 AED'000	Restatement 2 AED'000	Restatement 7 AED'000	Restatement 8 AED'000	Restatement 10 AED'000	Restatement 11 AED'000	Others AED'000	As restated AED'000
LIABILITIES									
Non-current liabilities									
Lease liabilities	828,534	(726,828)	-	-	-	-	-	-	101,706
Trade and other payable	63,591	-	-	-	-	-	-	-	63,591
Bank borrowing	1,166,052	-	-	-	-	-	-	-	1,166,052
Retention payable	772	-	-	-	-	-	-	-	772
Deferred tax liability	-	-	14,133	-	-	-	-	-	14,133
Contract liabilities	878	-	-	-	-	-	-	-	878
Provision for employees' end of service benefits	5,855	-	-	-	-	-	-	-	5,855
Deferred gain	-	367,678	-	-	-	-	-	-	367,678
Finance liability	-	375,645	-	-	-	-	-	-	375,645
Total non-current liabilities	2,065,682	16,495	14,133	-	-	-	-	-	2,096,310
Current liabilities									
Lease liabilities	82,967	(57,544)	-	-	-	-	-	-	25,423
Due to related parties	54,888	-	-	-	73,558	-	-	6,129	134,575
Trade and other payables	283,112	(3,004)	-	-	(73,558)	-	-	-	206,550
Bank Borrowing	72,710	-	-	-	-	-	-	-	72,710
Contract liabilities	25,671	-	-	-	-	-	-	-	25,671
Retention payable	231	-	-	-	-	-	-	-	231
Deferred gain	-	67,134	-	-	-	-	-	-	67,134
Finance liability	-	78,169	-	-	-	-	-	-	78,169
Total current liabilities	519,579	84,755	-	-	-	-	-	6,129	610,463
Total liabilities	2,585,261	101,250	14,133	-	-	-	-	6,129	2,706,773
Total equity and liabilities	4,790,037	2,258,438	-	-	-	-	-	-	7,048,475

34 Restatement of previously issued consolidated financial statements (continued)

*(b) Impact on consolidated statement of profit or loss for the year ended **31 December 2021** is summarised below:*

	As previously reported AED'000	**Restatement 1 AED'000**	**Restatement 5 AED'000**	**Restatement 13 AED'000**	**Restatement 6 AED'000**	**Restatement 12 AED '000**	**Restatement 14 AED '000**	**Others AED'000**	**As restated AED'000**
Revenue	1,461,773	(56,912)	-	-	-	-	4,012	-	1,408,873
Cost of sales	(649,404)	31,193	(9,874)	12,234	(13,365)	91,564	-	-	(537,652)
Depreciation	-	(46,742)	-	-	-	(91,564)	-	-	(138,306)
Gross profit	812,369	(72,461)	(9,874)	12,234	(13,365)	-	4,012	-	732,915
General and administrative expenses	(162,938)	13,568	2,793	(12,234)	13,365	-	-	(491)	(145,937)
Selling and Marketing expenses	(75,641)	-	7,081	-	-	-	-	-	(68,560)
Impairment Loss	(10,361)	-	-	-	-	-	-	-	(10,362)
Other Income	19,967	-	-	-	-	-	(4,012)	-	15,955
Operating profit	583,395	(58,893)	-	-	-	-	-	(491)	524,011
Finance income	-	41,142	-	-	-	-	-	-	41,142
Finance costs	(83,588)	(15,099)	-	-	-	-	-	-	(98,687)
Finance costs, net	(83,588)	26,043	-	-	-	-	-	-	(57,545)
Profit for the year	499,807	(32,850)	-	-	-	-	-	(491)	466,466

34 Restatement of previously issued consolidated financial statements (continued)

*(c) Impact on consolidated statement of comprehensive income for the year ended **31 December 2021** is summarised below:*

	As previously reported AED’000	Restatement 1 AED’000	Restatement 2 AED’000	Others AED’000	As restated AED’000
Profit for the year	499,807	(32,850)	-	(491)	466,466
Other comprehensive income					
Items that will not be classified to profit or *loss*	-	-	-	-	-
Revaluation (deficit)/surplus	877,209	871,103	-	-	1,748,312
Deferred tax liabilities on fair value gain in revaluation of property and equipment	-	-	(14,133)	-	(14,133)
Profit and total comprehensive income for the year	1,377,016	838,253	(14,133)	(491)	2,200,645

Notes to the consolidated financial statements for the year ended 31 December 2021 (continued)

34 Restatement of previously issued consolidated financial statements (continued)

*(d) Impact on statement of cashflows for the year ended **31 December 2021** (extract)is summarised below:*

	As previously reported	Restatement 1	Restatement 3	Restatement 4	Restatement 7	As restated
	AED'000	AED'000	AED'000	AED'000	AED'000	AED'000
Net cash generated from operating activities	150,416	34,838	57,304	-	203,801	446,362
Net cash used in investment activities	(785,297)	(15,899)	-	18,325	-	(782,871)
Net cash generated for / (used) in financing activities	891,104	(18,939)	(57,304)	(18,325)	-	796,535
Net increase in cash and cash equivalents	256,223	-	-	-	203,801	460,024
Cash and cash equivalents, beginning of the year	28,361	-	-	-	-	28,361
Cash and cash equivalents, end of the year	284,584	-	-	-	203,801	488,385

34 Restatement of previously issued consolidated financial statements (continued)

*(e) Impact on consolidated statement of financial position as at **31 December 2020** is summarised below:*

	As previously reported AED'000	Restatement 1 AED'000	Restatement 7 AED'000	Restatement 8 AED'000	Restatement 11 AED '000	Others AED'000	As restated AED'000
ASSETS							
Non-current assets							
Property and equipment	1,282,535	2,143,777	-	-	-	-	3,426,312
Right-of-use assets	426,547	(323,230)	-	-	-	-	103,317
Total non-current assets	1,709,082	1,820,547	-	-	-	-	3,529,629
Current assets							
Property held for development and sale	281,025	(281,025)	-	-	-	-	-
Inventories	6,795	-	-	-	-	-	6,795
Due from related party	68,969	-	-	489	-	(5,636)	63,822
Trade and other receivables	147,531	(9,606)	-	(489)	(6,834)	-	130,602
Prepayments	-	-	-	-	6,834	-	6,834
Cash and bank balances	28,361	-	(28,361)	-	-	-	-
Cash and cash equivalents	-	-	28,361	-	-	-	28,361
Total current assets	532,681	(290,631)	-	-	-	(5,636)	236,414
Total assets	2,241,763	1,529,916	-	-	-	(5,636)	3,766,043
EQUITY AND LIABILITIES							
EQUITY							
Equity attributable to owner of the parent							
Share capital	-	-	-	-	-	-	-
Contributed capital	252,913	-	-	-	-	-	252,913
Statutory reserve	2,238	-	-	-	-	-	2,238
Revaluation reserve	453,589	1,381,445	-	-	-	-	1,835,034
Retained earnings	27,678	(89,164)	-	-	-	(5,636)	(67,122)
Non-controlling interest	144,272	-	-	-	-	-	144,272
Equity	880,690	1,292,281	-	-	-	(5,636)	2,167,335

34 Restatement of previously issued consolidated financial statements (continued)

(e) Impact on consolidated statement of financial position as at __31 December 2020__ is summarised below (continued):

	As previously reported AED'000	Restatement 1 AED'000	Restatement 7 AED'000	Restatement 8 AED'000	Restatement 11 AED'000	Others AED'000	As restated AED'000
LIABILITIES							
Non-current liabilities							
Lease liabilities	735,819	(629,418)	-	-	-	-	106,401
Trade and other payable	66,914	-	-	-	-	-	66,914
Bank borrowing	116,822	-	-	-	-	-	116,822
Provision for employees' end of service benefits	4,905	-	-	-	-	-	4,905
Deferred gain	-	424,800	-	-	-	-	424,800
Finance liabilities	-	364,945	-	-	-	-	364,945
Total non-current liabilities	924,460	160,327	-	-	-	-	1,084,787
Current liabilities							
Lease liabilities	66,856	(48,033)	-	-	-	-	18,823
Trade and other payables	175,678	-	-	-	-	-	175,678
Bank Borrowing	194,079	-	-	-	-	-	194,079
Deferred gain	-	59,860	-	-	-	-	59,860
Finance liabilities	-	65,481	-	-	-	-	65,481
Total current liabilities	436,613	77,308	-	-	-	-	513,921
Total liabilities	1,361,073	237,635	-	-	-	-	1,598,708
Total equity and liabilities	2,241,763	1,529,916	-	-	-	(5,636)	3,766,043

34 Restatement of previously issued consolidated financial statements (continued)

*(f) Impact on consolidated statement of profit or loss for the year ended **31 December 2020** is summarised below:*

	As previously reported AED'000	Restatement 1 AED'000	Restatement 5 AED'000	Restatement 13 AED'000	Restatement 6 AED'000	Restatement 12 AED'000	Restatement 14 AED '000	Restatement 9 AED '000	Restatement 15 AED '000	Others AED'000	As restated AED'000
Revenue	457,061	-	-	-	-	-	509	-	-	-	457,570
Cost of sales	(295,698)	8,450	(5,180)	7,120	(6,101)	87,431	-	20,708	-	-	(183,270)
Depreciation	-	(47,343)	-	-		(87,431)	-	-	-	-	(134,774)
Gross profit	161,363	(38,893)	(5,180)	7,120	(6,101)	-	509	20,708	-	-	139,526
General and administrative expenses	(92,287)	5,888	1,682	(7,120)	6,101	-	-		-	(334)	(86,070)
Selling and Marketing expenses	(27,976)	-	3,498	-	-	-	-	-	-	-	(24,478)
Impairment Loss	(6,866)	4,021	-	-					-	-	(2,845)
Other income	44,544	(2,579)	-				(509)	(20,708)	4,651	-	25,399
Other expenses	-	-	-	-			-	-	(4,651)	-	(4,651)
Operating profit	78,778	(31,563)	-	-	-	-	-	-	-	(334)	46,881
Finance income	586	9,732	-	-	-	-	-	-	-	-	10,318
Finance costs	(72,279)	(5,526)	-	-	-	-	-	-	-	-	(77,805)
Finance costs, net	(71,693)	4,206	-	-	-	-	-	-	-	-	(67,487)
Loss for the year	7,086	(27,358)	-	-	-	-	-	-	-	(334)	(20,606)

Notes to the consolidated financial statements for the year ended 31 December 2021 (continued)

34 Restatement of previously issued consolidated financial statements (continued)

(g) Impact on consolidated statement of comprehensive income for the year ended ***31 December 2020*** *is summarised below:*

	As previously reported AED'000	Restatement 1 AED'000	As restated AED'000
Loss for the year	7,086	(27,692)	(20,606)
Other comprehensive income			
Items that will not be classified to profit or *loss*			
Revaluation (deficit)/surplus on property and equipment	(212,427)	681,810	469,383
Profit and total comprehensive income for the year	(205,341)	654,118	448,777

(h) Impact on statement of changes in cashflow for the year ended ***31 December 2020*** *(extract) is summarised below:*

	As previously reported AED'000	Restatement 1 AED'000	Restatement 7 AED'000	As restated AED'000
Net cash generated from operating activities	123,699	(41,361)	(2,211)	80,126
Net cash used in investment activities	(10,486)	(7,484)	-	(17,969)
Net cash used in financing activities	(154,866)	48,845	-	(106,021)
Net decrease in cash and cash equivalents	(41,653)	-	(2,211)	(43,864)
Cash and cash equivalents, beginning of the year	70,014	-	2,211	72,225
Cash and cash equivalents, end of the year	28,361	-	-	28,361